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West Europe Report

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POLITICAL CYPRUS

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Istanbul MILLIYET in Turkish 22 Jul 86 p 12

[Article by Sami Kohen]

[Text] UN Secretary General Perez de Cuellar will once again experiment in getting Cyprus negotiations started.

This is the purpose of the world organization's top administrator's decision to meet with Turkish Cypriot and Greek Cypriot leaders.

Now, both Kiprianou and Denktas have made appointments to meet with the secretary general -- separately, of course -- in September.

What does de Cuellar wish to do? More accurately, what will the secretary general do to have the "framework agreement draft" that was submitted last March approved by Denktas, who said, "Yes," and by Kiprianou, who disapproved?

There are two possibilities.

The first is that he may use all his influence and force Kiprianou to accept this draft as a package deal. The Greek Cypriot leader has, to date, extracted the withdrawal of Turkish troops, a guarantee from Turkey, and the topic of three freedoms from the "package" and insisted that they be given priority. And, for this reason, he stalled the secretary general's endeavors and, after a while, it was even felt that the draft resolution would remain on ice. Now, when getting into gear again, de Cuellar may attempt to break through Kiprianou's obstinacy.

The second possibility is that the secretary general will make several amendments in the framework agreement draft and use his influence primarily on the Turkish side. Stated more clearly, de Cuellar may propose several "method changes" in response to Greek Cypriot demands and may work to persuade Denktas to accept them.

In fact, the Turkish side has announced clearly countless times that it would not accept even the smallest change in the text submitted last March. It is impossible for the secretary general not to know this. Turkish Cypriot officials state, "If the secretary general does not want to condemn his new efforts to failure, he will not engage in a search for a new method."

However, there is absolutely no doubt that de Cuellar will reflect deeply on how to devise, before September, various formulae for agreement....

While the secretary general has renewed his efforts to deal with Cyprus, the Soviets' appearance on the scene is a meaningful development.

In a document released last October, the Soviet Government announced its views regarding Cyprus. At that time, this action was interpreted to mean that Moscow wishes to send the message, "We, too, are present in this affair."

Now, two Soviet representatives have gone to Nicosia and Athens bearing messages from Gorbachev, once again demonstrating the Soviets' active interest in the Cyprus problem.

And, it can be seen that these actions have gradually come to favor the Greek Cypriots.

There is an important point in the words spoken at a press conference by Soviet Deputy Minister of Foreign Affairs Vadim Longinov, who met with Kiprianou. The Soviet diplomat said:

"If proposals drafted by the United Nations do not match the wishes of the Cypriot Government, the secretary general must devise new formulae."

If we examine these words together with Longinov's criticisms of de Cuellar, the following meaning emerges. Moscow does not like the path pursued by the secretary general thus far. It adopts and defends the views of the Greek Cypriots (and Athens) and wants de Cuellar to find "new formulae."

What could these formulae be? These words of the Soviet diplomat make it rather clear:

"A solution to the Cyprus question can only be found by using the principles we proposed."

As is known, these principles entail holding an international conference on the topic of Cyprus.

In this way, by both repeating their old views and altering their approach, the Soviets plainly oppose the secretary general and seek to force him to abandon the path he has chosen to date.

The timing of Moscow's new endeavor is also interesting. All this coincides with the secretary general's statements to the parties, "Come, let us discuss this issue once again."

De Cuellar's job is gradually becoming more difficult. And now he is put in a position to take into account as well the Soviet's weight behind the Greek Cypriots.

11673
CSO: 3554/169

POLITICAL ITALY

CRAXI URGES PCI TO REHABILITATE 1956 HUNGARIAN LEADER NAGY

Rome AVANTI in Italian 10 Oct 86 p 1

[Signed editorial by Bettino Craxi: "The Courage of Truth"]

[Text] Budapest and Rome: 1956-1986.

Polemics serve no purpose. What would be useful, however, is a careful rereading of the events of those months and years, together with an evaluation of the history of those events--an evaluation conducted, to the extent possible, in accordance with the truth. One may wonder at this point--30 years after the tragedy in Budapest--how it can be possible that no one in the communist camp has yet felt either the obligation or the need to undertake the rehabilitation of the Hungarian communist leader Imre Nagy in order to grant him his rightful place in the history of his country and in the history of the international communist movement.

I am aware that it would be difficult even today to ask this of the Hungarian communists, whose leader, however--we may recall--remained at Nagy's side almost to the last moment, after having himself been persecuted as a victim of Stalinism.

There are many possible reasons for this difficulty, but in actuality only one is still relevant and valid in today's Hungary--a country that has by now actually healed many wounds and is seeking--within specific limits--new ways to achieve development and renewal.

But this line of reasoning does not apply--and should not apply--to the Italian communists, who could indeed--in the light, moreover, of their own history and in keeping with their positions and grave responsibilities--perform an act of courage, integrity, and even of reparation.

Imre Nagy, we may recall, was a revisionist national communist who during his entire life, right up to the tragic epilogue, was able to remain faithful to his principles--the principles of a patriot and democratic revolutionary.

The Marxist philosopher Gyorgy Lukacs had described him as the continuator of that "antisectarian" strain of Magyar communism that had already demonstrated its vitality in the internal party struggles of the 1930's.

Nagy did not, in fact, consider the one-party dictatorship to be necessary, and favored a form of political pluralism and open collaboration with other political forces and organizations.

He hailed the principle that there are "many different roads" to socialism and, above all, affirmed "the possibility of making one's way to socialism without abandoning the high road of national democracy."

Specifically, he wanted to know: "Can the concept of socialism and proletarian internationalism be reconciled with the concept of national independence?" The response--in his own words--was firm, clear, and concise: "National independence, sovereignty, equal rights, and nonintervention are principles that have the same significance in all countries--in the context of any country be it capitalist, socialist, a people's democracy, or any other type of regime. Not even political, economic, cultural, or defensive cooperation--which is always closer among socialist countries--may curtail complete respect for each of these principles, nor should it in any way delay their implementation." His motto was "patriotism plus socialist democracy."

This was indeed going too far. It was too great a heresy, and for this reason Imre Nagy--just as other heretics--likewise went to the stake. He was felled by the tempest of the tragic and bloody events in Budapest, captured by the Russians through treachery, drowned in slanderous accusations, and executed.

One Hungarian writer in 1949 denounced--in the following words--the atrocious trial of Rajk, proclaiming the innocence that in later years was finally acknowledged: "Lies, deceit, and myths are completely antithetical to the principles of morality and the essential conditions of socialism. Truth is the oxygen without which socialism could not survive."

Thirty years later--in 1986--the book of the life and death of Imre Nagy has remained open, because it is waiting for a free, authoritative communist to write that page of justice and truth that is lacking.

10992
CSO: 3528/22

POLITICAL ITALY

NATTA ON PCI REFUSAL TO CRITICIZE SOVIET ROLE IN 1956

Rome L'UNITA in Italian 12 Oct 86 p 3

[Interview with Alessandro Natta by Ugo Baduel; place, date not specified]

[Text] "What do you want to talk about with us?" said Alessandro Natta. "It was we who promised and are promoting the most careful historical study of the events of 1956. But if instead someone wants to claim that our party stands firm on the judgments pronounced then, then he is claiming the opposite of the truth: we long ago superseded those judgments by events. If we had really waited 30 years, we would certainly not be the major political force that we are in Italy and in Europe. The same historical experience of a party is evaluated by what it has succeeded in becoming politically and morally. Let the others, all those who want to instruct us, explain what their political and moral progress has been. No trifling. The lesson of 1956 brought us to a review and a renewal that we have never interrupted. The distances from then are great. The new gains, right up to those of the latest congress, speak clearly.

At the outset, it was an argumentative Natta who received me at the Communist Headquarters, and a little indignant at having to face the mediocre ploys aimed only at showing that "as long as the PCI remains this way...," "if this is how the PCI is...," following the old script that "examinations never end." However, then it was a calm Natta who for 2 hours and more talked about that October in 1956, about the Hungarian tragedy of that time, about the strong emotion of the Italian Communists, but also about what had happened previously and what happened afterward: in order to understand and thus judge with historical reason. Everyone knows what we are talking about. We are 30 years from the Budapest events, from that terrible 1956, which seemed to concentrate an extraordinary epic film of various events: the 20th Soviet Party Congress, the workers revolt of Poznan, Hungary, the Anglo-French aggression against Egypt for nationalization of the Suez Canal, and in Italy the Eighth PCI Congress. A number of books, articles and interviews have appeared, and at the initiative of the Gramsci Institute a meeting was held in Florence: all opportunities to deepen the knowledge and reflection on those events.

The Communists were committed first and more than anyone else to this task of recalling and study, and this is certainly a significant fact.

However, at a certain point, and one can well understand why, the opportunity was abruptly overturned into something else, that is, into the old question: to what extent is the PCI able today to disavow what it said and what it was then? Giuseppe Boffa raised the question, in recent days, whether the Party leadership should have resorted to meeting to draft a new and different communique than the one it discussed and approved on 4 November 1956, at the time of the entrance of Soviet tanks into Budapest.

And Natta observed: "The concrete movement and transformation of a political force was one thing, and the historiographic work another. We are promoting the historical investigation in order to understand ever better and more. The interpretation of events is never completed. However, we have not waited for the historiographic investigation before changing ourselves, yet without losing the basic reasons of our struggle. However, it does not make sense to ask for abjurations. We are not a church. We change and correct ourselves in our concrete political operation. And we are proud that we have not only changed ourselves, but have also contributed to changing others in Italy and in the international workers movement. And it is grotesque instrumentality to call on Italian Communists to speak as if we were only a few weeks away from those events, and as if we had done nothing between then and now."

[Question] It is said that when, during your recent visit to Budapest, you were asked for a judgment on the events of 1956, you defined it with the word "dramatic," which has been regarded as reductive.

[Answer] "I was speaking in Budapest at a press conference that included many topics. Reducing my own and our analyses to a brief response in a press conference is indeed reductive. Someone asked me whether Kadar had talked to us in 1956. I felt it important at that moment to underline a political fact. That we had met to evaluate the road covered, and the profound changes in one and the other party, and the course that each in its autonomy intended to further pursue. It seems to me that the original point reached by Hungary is today recognized by everyone. We, ourselves, in the fire of a tough battle, passed a historic turning point that enabled us to move forward in the field of national autonomy, a new vision of internationalism, and search for a democratic road to socialism. The whole world knows what the Italian Communists are today."

[Question] But don't you think it is permitted to say "we made a mistake"?

[Answer] "It is permitted. And we are certainly not a party that is grudging in self-criticism. However, self-criticism is real and serious if it suggests new positions and behaviors."

[Question] Do you mean that one must reread the past to draw lessons for the present?

[Answer] "Certainly, and that is the right way to pose the question. Look: I went to Hungary to understand and evaluate once again the reforms and innovations through which that country has been opening a new path for itself. This interest was heightened because in other countries--in the USSR and China--efforts are underway, in situations that are obviously not comparable,

that could relate to the problems of economic and political renewal being faced in Hungary."

[Question] Yet it is a fact that the PCI in 1956 was different from that in 1986, and that there is nothing strange in also talking about "the way we were" and about the mistakes that were made.

[Answer] "Nothing strange, certainly. Yet as long as this does not turn into simplifications and absurd reductions, and above all that it mean that revision or superceding of erroneous or unilateral positions find effective and convincing confirmation in concrete political and ideological development. For example, what sense would it make to demand that French Socialists on every anniversary make amends for responsibility for the aggression on Egypt of November 1956, or for the launching of the bloody repression in Algeria? What sense would it make to call on the German Social-Democrats to make a ritual disavowal of the assassination of Rosa Luxemburg and Karl Liebknecht carried out under Noske? The judgment of those parties is based on their current policy, on what they have become also in the wake of those traumas. We have the right to ask that the same apply for our party."

[Question] And now let us move to the value of that "unforgettable" 1956. It appears to me valid to conclude, initially, that a political force of relevant influence and a long past--whatever it may be--has basically only one method for "studying" history: and it is that of making history, of doing so concretely in time and things. And thus I ask you how the PCI began quickly to "make history" in those terrible days in October 30 years ago.

[Answer] "In the meanwhile, I regard as wrong the trend of the debate these days in reducing everything that happened then to the Soviet intervention of 4 November. The facts were much more complex--even Kadar noted this at the last congress of his party--and they had distant roots. There came to light an erroneous concept of socialism that had produced the social and political crisis which began in 1953 and had generated a harsh struggle within the Communist ranks themselves. The Italian Communists were aligned with the renovators in stressing the seriousness of the mistakes made. We certainly did not defend Rakosi, and we openly argued with those also in our own ranks who wanted to reduce that submovement to a counterrevolutionary action or a foreign plot. Italian Communists stressed that the cause and responsibility prior to the crisis lay in the fact that there had not prevailed there the servile imitation of the Soviet model, authoritarian and bureaucratic system and political practice, and that everything became aggravated until the breakdown of the persistent resistances to changing, even after the CPSU 20th Congress, the wrong directions of the past that had been condemned as such. Certainly we did not then have a complete vision of the theoretical, economic, social and political roots of the basic processes that were at the basis of these errors."

[Question] A "yes" to Moscow, the final "yes," was nevertheless said...

[Answer] "Also about this, we need to be precise: we did not say a 'yes' to Moscow in the sense in which people continue to describe it today. Our positions already included criticism of the halt blow given to the experiments

of the people's democracies, of the serious distortion of the relations among the Communist countries and parties. We must always remember what was the real attitude of Italian Communists then. Also, when there came the Soviet resolution of 30 October reaffirming the principles of sovereignty, independence, and equality, and that appeared to open the way to a peaceful solution, but was revealed to be late. Moreover, 'no' had already been said to the model of the leader state, the Cominform had been described as an error, and, above all, the strategy of the 'national roads' had long been launched. In the very June of 1956, it was not just we who were struck by Togliatti's interview in NUOVI ARGOMENTI in which he used the formula of 'polycentrism' (and there were also some who said that these concepts were a motive for the revolt of the Eastern countries). To be historically correct, all this cannot today be interpreted in terms of a passive acquiescence to the USSR. There was talk about the 'sad necessity,' and the term 'sad' expressed our sentiment over the collapse, the inability of the Hungarian Communists to face matters with their forces. We were not winners in that case, that is very clear..."

[Question] However, Craxi made a request to you about only one point: the rehabilitation of Nagy.

[Answer] "Craxi did not ask this of the Hungarian leaders. I can understand the reasons for this attitude. However, from us one can ask for only one judgment. And our judgment is clear: Nagy was certainly a communist. His execution was thus a terrible and rending event for us. While it was necessary for Italian Communists in that moment to hold firm to a line of struggle, I also consider that that was an unjust and inhumane action. However, doing justice to that Communist leader does not mean taking a decision, in a kind of summary judgment, on the motives and the wrongs of all the protagonists in those tragic events."

[Question] But 12 years later, in face of the Soviet tanks of 1968, the PCI's protest had very different tones.

[Answer] "In 1968, not only were the PCI's location and positions different, also in regard to looking back on 1956. But the situation was profoundly different. In Czechoslovakia the Soviets intervened against a state, against a Communist Party that was attempting with courage and strictness a new road. In Hungary, it was a great popular uprising. Certainly there were involved some sincere revolutionaries who wanted a different socialism, but one cannot hide that there were also genuine counterrevolutionaries who looked to Horthy. It was the beginning of a civil war. In the international field, the Cold War was in full swing, during those same days the aggression against Egypt exploded. And then a country like Hungary--as Pajetta well stated--had in its historical memory the trauma of the Western invasion (French, Romanian, Czechoslovak) of 1919, when the Republic of Councils was put down with bloodshed, and it was also a country that had had a very small resistance, not comparable to the antifascist resistance of Yugoslavia or Italy. There was the distress of already visible rightist threats, and throughout the world there was terror of a conflict. One cannot forget that because of these very concerns there were also countries outside the Warsaw Pact, such as China and Yugoslavia, that agreed with the intervention."

[Question] Ingrao has recalled that Togliatti told him in 1956 that "there were no other alternatives." Do you think that was the case?

[Answer] "Further to the basis for that judgment, I believe I can say that that was indeed the state of mind prevailing in the party in reagrd to the intervention. Also, discussion of Togliatti's role in that phase must seek to be fully correct. There can be many debatable episodes, actions, judgments (I see that many are being pointed out in these days: an article, a meeting, a letter, or an outright fit of temper), but the fact remains that the period 1956-1964--along with that of 1944-1947--was the most decisive in innovation of all the 20 years of Togliatti's leadership of the party. Did he make mistakes? He did make some, and perhaps some that were not secondary: for example, the judgment on the Poznan events of June 1956, a judgment that was certainly superficial and was then contradicted by Gomulka himself. But looking at the 8 years, from the interview for NUOVI ARGOMENTI to the Yalta Memorial, one can see the plot of a powerful work that produced, though not without contradictions, the renewal of a great communist force. An action that beyond that 1956 was able to respond to the major international and internal challenges of those years, in face of which, without an innovative action, the Italian Communists' original contribution to the historical record of the country itself and of the European workers movement could have been reduced or canceled. Certainly, not everything was done at the time. And the subsequent road from Longo to Berlinguer was necessary."

[Question] And this prevented the PCI from being pushed to the sideline as many had desired or feared in 1956. Instead, the PCI moved ahead.

[Answer] It is true that in the 1958 elections we did not disappear as some had thought, and in 1963 we made that jump forward that substantially changed the relations of strength on the left. These results did not arise from a conscious methodology, as some have said and written. It was a matter of something more profound; that in freeing ourselves from dogmatisms and mythical positions, we forced ourselves to constantly hold firm to the necessity not to quench the hopes of the left and such a large portion of the population. Let us be clear: we lived through a difficult and also dramatic test, since that profound political and ideological renewal that was necessary, needed to become, as it did become, persuasion for a great workers movement. The main thing is that we led into new positions the whole complex of communist forces, while keeping firm the relationship between a line of democratic struggle, reforms, immediate and partial conquests and defense, and affirmation of socialist values. The uniqueness and strengh of our party have been and remain to a great extent based precisely on the fact of having always kept open the prospects of, and commitment to, renewal and transformation of our society on the basis of the ideals and values of socialism. Others have caused to pay and paid dearly the price of abandonment."

[Question] However, do you think, therefore, that those who chose a different road, such as Giolitti, were entirely wrong?

[Answer] "I have never thought that one could split rights and wrongs with a hatchet. Giolitti and other comrades certainly had valid motives in their

criticism. I did not maintain then, nor do I now, that this necessarily put them outside our party. I have read Giolitti's bitter reflections 30 years later about the present destinations of the party that he chose then. I maintain that the same 'reencounter' that he himself had hoped for then can happen today through a common reflection on the needs that are apparent for a great socialist force."

[Question] I see that you persist with the theme of unity of the leftists, even though one cannot say for certain whether there is good feeling in these relations and that provocations are to be avoided...

[Answer] "We are watching with concern the continuing effort, sometimes also completely opportunistic, to dig trenches and incite tensions on the left. We are not concerned for ourselves. The Socialist Party is in the process of observing in events the negative impact that a policy of rupture on the left has produced. The consequences appear serious both for the country and for the PSI itself. And this is why we intend to persist in our effort for the understanding on the left. As everyone knows, the division benefits only the most conservative forces, inside and outside the DC. This is so evident that interesting signs are beginning to appear in the political reality of a resumption not only of dialogue but also of cooperation. In order that this process can go forward, it will also be useful to have serious discussion of the history of each one, without propagandizing and self-serving. Yet, that is not the essential thing. What counts is facing, if the challenge is necessary, the problems of today. We cannot cover up the shortcomings or errors of the present by seeking a confrontation over what happened 30 years ago. Today, there is opening up throughout Europe a new prospect for reforming efforts: we call ourselves and all the Italian left to this test bench."

9920
CSO: 3528/19

POLITICAL PORTUGAL

SOARES-CAVACO SILVA RAPPROCHEMENT 'NOT SURPRISING'

Lisbon EXPRESSO in Portuguese 27 Sep 86 p 27-R

[Commentary by Eduardo Prado Coelho]

[Excerpt] Political life is full of this sort of thing. About a month ago, hearing the most strident declarations from the government or reading the most vehement position statements from the leftist press was enough to convince us that the days of this administration were numbered, whether because of its own wishes or the desires of others, or perhaps because of a combination of the two. I remember having seen in the newspapers the most detailed descriptions of the possible scenarios: coalitions desired or desirable, governments composed of the so-called "independents", absolute majorities, or even electoral predictions. And there were even those who were already mentioning the high-sounding names of future prime ministers.

About a month later, everything changed. The opposition did not seem interested in bringing down a Government that it had a little earlier termed weak, isolated, and discredited, and the government no longer viewed with excessive optimism the possibility of its suicide being carried out in cold blood. Two factors would seem to have contributed to this.

In the first place, everyone became aware that if the results of the polls were properly studied, a situation of polarization--although recognizable as a trend and certainly desirable as a guide to strategies--was still lagging somewhat behind the hopes of its most enthusiastic protagonists. In reality, the PSD--although on the rise--is far from being able to muster an absolute majority. And if the present progress of the PS seems indisputable, it still requires the sort of mid-term effort that cannot be replaced by two or three waves of a magic wand. Therefore, the leaders of these two parties, despite the fact that this necessarily created a certain amount of frustration as regards expectations that had been raised too high, had to opt for a less ambitious course calling for more discreet behavior.

Secondly, a new factor has come into play on the Portuguese political scene. I have always maintained in this column that Mario Soares and Cavaco Silva, if they were to deal only in rational terms, would eventually discover many points where their interests converge. Actually, Cavaco Silva is much more comfortable with Soares as president than with Freitas as president: the former goes to great lengths to demonstrate that he isn't raising any

obstacles to governing, while the latter would necessarily have to be in political competition with Cavaco Silva. But Soares gains too: he capitalizes on any achievements of this government without being tied to any mistakes it might make.

Under these circumstances, the current rapprochement between Soares and Cavaco is not surprising. For Soares, the only thing on the political horizon is his re-election, and his only conceivable opponent is (still!) General Ramalho Eanes. It is, therefore, natural that he looks favorably on the possibility of having the support of "a sort of Central Bloc" that would enable him to dispense with the uncomfortable, although not very costly, communist assistance. It is true that such a prospect is in direct conflict with the polarization scenario, but that is the Socialist party's problem, not Soares'.

For Cavaco, it is extremely important to offset parliamentary isolation with support from a prestigious representative of popular sovereignty such as the President of the Republic. There is, by the way, an extra advantage here: it virtually extinguishes the now faded popularity of Freitas do Amaral, who is shut away working on a Foundation project that he seems unable to get started.

So we were not shocked to read the account by Maria Joao Avillez in the latest EXPRESSO in which he said "I heard the president himself, during the motorcade trip to Porto, comment favorably to me on the personality and performance of Prime Minister Cavaco Silva..." The most this can do is shock the former leaders of MASP who are saying exactly the opposite today.

12830/12851
CSO: 3542/10

POLITICAL PORTUGAL

RELATIONS BETWEEN CAVACO SILVA, SOARES, CONSTANCIO ANALYZED

Lisbon O DIABO in Portuguese 23 Sep 86 p 2

[Article by Jose Miguel Judice]

[Text] Some time ago I tried to figure out what would be (or will be) a likely scenario for the evolution of the political situation. And I came to the conclusion that there was a certain logic what would bring (or should bring) Cavaco Silva, Mario Soares, and Vitor Constancio to an understanding that has nothing to do with coalitions but only with mutual advantage.

I said or wrote further that, in my opinion, in view of the way that the country has developed, equilibrium in Portuguese society and its cultural and institutional modernization will come about through whatever understanding can be reached among these three political personalities within a context of political polarization toward the center, in which the PSD and the PS will be the two poles around which potential political majorities will coalesce.

The political recess and the "re-entry" phase that is about to begin already show that Cavaco Silva and Mario Soares were capable of perceiving that their own interests lie in achieving an understanding and a certain measure of cooperation that neither demand opportunism nor would represent that "turncoatism" which is so typically Portuguese. The reasons for this are perhaps worth stressing.

One of these reasons lies in the fact that each one of the political actors in question has an interest in boosting the popularity of the other, and none of them would find it useful to prevent such an increase. For Cavaco Silva, Soares' stabilizing prestige and optimistic geniality are a trump card that reinforces the government's image. He is seen with greater frequency at the President's side and is being paid personal compliments that must already reflect on his ministers. For Soares, Cavaco Silva's popularity and his positive and sober image is a trump card, since everything good that the prime minister does increases confidence in the president.

The second reason is expressed in the maxim that I "imported" from France some time ago, i.e., "He who shoots first, dies." This means that any of the political actors in question has everything to lose from allowing the image

to be created in the public mind that he will be the source of a hypothetical future crisis and everything to gain in seeing that the Portuguese place the blame on the other fellow. This is why this phase of the political relationship between the two must be one in which points are won in a sort of championship match of good feeling, in which each contestant is interested in proving that he is more cordial, cooperative, and attentive.

But, of course, not everything is coming up roses. Or rather, not everything can be rosy forever because we know that it is only in fairy tales (and not in all of them--perhaps not in the best of them) that happiness constitutes a preservable "happy ending." So to a certain extent, one can say--disappointing some bad consciences that were already hastening to start swearing on a stack of Bibles that they had voted for Soares in the first and second rounds--that all that is happening is mere maneuvering in anticipation of future conflicts...even though it might not be that way. And, I add: even though it should not be that way.

But in order for all this to be more than a succession of maneuvers and demonstrations of cleverness, in which each of the personalities spies on the other, bowing and scraping with no more success than the wolf had when he tried to adopt a sweet tone of voice, one must understand the two personalities' mutual interest. And, as I wrote several weeks ago, that mutual interest assumes the existence of a political triangle composed of these two and Vitor Constancio.

Actually, if the PS leader is not part of the agreement (and that means relegating the PRD to the sidelines and causing it to lose much of its support), there will come a time when Soares will have to oppose Cavaco...and that will not be the moment that suits the prime minister. And if Cavaco allies himself with Eanes to prevent Soares from doing him harm, the conflict will occur anyway. But not just with Soares, and not only outside the PSD.

On the other hand, if Soares wants to be good to Constancio without the Cavaco agreement, we will, of course, have the fight and even run the risk that Constancio may lag behind Eanes as a leader of the left. It is essential that the Left have a leader with ability, like Constancio--not a terrible leader likes Eanes..even for the sake of the interests of the "Right."

Now, in practice, there is a way to implement a solution involving a compromise among the three personalities. This is only possible because they all want different things, that is, each one's goal is attainable despite (it would be better to say via) the objectives of the others. Briefly, Soares wants to establish himself as the president of consensus during a crucial period of Portuguese history--the shock of the EEC. Cavaco wants an absolute majority (alone or with others, but with indisputable leadership) and Constancio wants to be the unquestioned leader of the PS, which implies being the clear leader of the Left.

Soares doesn't want conflict and the others want to oppose each other, with both winning. If everyone is able to see their way clear to a compromise, Cavaco will have elections so that he can govern in peace until 1991 and Constancio will emerge from early elections with more than 30 percent of the votes and with the PCP and the PRD transformed into small parties. If ~hey don't reach an agreement, or if each one wants more than it is possible to get, everyone will end up losing and the PRD and the PCP, especially, are certain to win.

12830/12851
CSO: 3542/10

POLITICAL PORTUGAL

SOVIET EMBASSY EMPLOYEE CAUSES INCIDENT

Lisbon O DIABO in Portuguese 30 Sep 86 p 6

[Text] Late yesterday morning, the press office of the Ministry of Foreign Affairs still had no "official knowledge" of a diplomatic scandal that occurred in the wee hours of last Wednesday, involving the cultural attache of the Soviet Embassy in Lisbon and agents of the PSP.

Valery Tcherniaev, the Russian official in question, took flight along one of the main streets of downtown Lisbon moments after the agents had stopped him because his car was parked on the sidewalk, with the windows open, across from the Correios dos Restauradores building.

When questioned by the police officers, Tcherniaev said he was a United States diplomat. He refused to show his documents, claiming he had left them at the Embassy.

Despite having been informed via radio as to the identity of the owner of the vehicle in question, the PSP officers agreed to accompany Tcherniaev to the U.S. Embassy, where he said he had left his documents. When halfway there, the Soviet diplomat managed to escape from the police who were following him. His vehicle was later intercepted by five PSP patrol cars that had been called to assist.

Despite the Russian Charge d'Affaires having been summoned to the Portuguese Ministry of Foreign Affairs to explain the strange behavior of "Comrade" Tcherniaev, a spokesman for the ministry told us very "diplomatically" yesterday morning that he didn't know about the case, but that it is unlikely that the Russian officer could be held responsible for his adventure since he "is covered by diplomatic immunity."

When the Soviet Embassy in Lisbon was contacted, the press attache also appeared to be surprised by what we had just told him of the case involving the "cultural attache" from that Kremlin mission.

The one who seemed to be well informed about this case was the spokesman for the United States Embassy who, when questioned by O DIABO concerning the fact that a Russian official had identified himself to Portuguese authorities as being a diplomat from Washington, said that this was "a customary practice among Russian diplomats all over the Western world."

Giving us his personal opinion, the U.S. Embassy spokesman added that he "Was waiting for the Portuguese authorities to clear up the whole matter." That, it seems, is not going to happen in view of the excessive immunities that the Russian diplomats passing through here appear to enjoy--immunities so excessive that they can even "make fun of" our authorities, knowing in advance that nothing will happen to them.

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POLITICAL PORTUGAL

DOCUMENTS DETAIL PCP ACTION IN BANKING SECTOR

Lisbon O DIABO in Portuguese 23 Sep 86 p 3

[Excerpt] The PC is very unhappy with its status in the banking sector: its influence is decreasing, the workers are turning a deaf ear to its tactics, all the election results point to a decline, and they figure (poor "comrades") that "some cadres have reached physical and psychological burnout." Therefore, taking heart as best they can and after appraising the situation, the communists are preparing for a "new life" among the bank workers. In this "new life"(?), there is a concern about the party's role on the "Comissoes de Trabalhadores" [Workers' Commissions]: "analysis of the reports and accounts, as well as the loans made and the personnel policy, with denunciation of instances of mismanagement, corruption, and cronyism."

That is, the communists are going to reinforce what they are already doing: sticking their noses into the loans made by the banks, breaking through "bank confidentiality" at the nationalized bank. That's the conclusion one reaches after a careful reading of a long document that came out of the PC's 5th Organization Meeting, a document that we have obtained.

This text is worth studying. It is whole litany of complaints. It shows how badly things are going for the PC in the Banca do Estado [State Bank], how the good years seem so far away, and how the "comrades" are dealing with serious problems, yet do not give up. They try to examine thoroughly the entire situation at the Bank, the party's own status, and to seek ways out of their crisis. And the remedies are there--prescriptions that it is important to look at in order that the unsuspecting may be forewarned.

[Box 1, p 3]

Excerpts from the PC Document

As for the state of worker morale, although there are some differences between companies, the mood can be characterized by the presence of serious concern, a certain amount of apprehension and fear. There is also an apparent apathy that can only be changed by more constant and effective action and intervention by the communists, a kind of action that is adapted to the sector that we have penetrated.

The list of problems at the Banca has been growing and, in contrast, there has been a decline in the influence of the Listas Unitarias that shows up in the electoral results that we have studied.

In six elections to the CT's, the Listas Unitarias have declined from 9,832 to 8,322 votes (an 8.7 percent drop). Meanwhile, the ascension of the PSD and PS does not mean that they have increased their role in resolving the problems of the workers--quite the contrary. The PSD showed an increase of 8.4 percent; the PS 7.5 percent.

The results of the union elections of 1985 were surprising. The Lista de Unidade went from 11,825 to 11,708 votes. The difference between it and the PS/PPD rose from 1,543 in 1982 to 8,269 in 1985.

In the banking sector, the enemy has known how to take advantage of certain specific characteristics of this class of workers to nourish prejudice and doubts.

The slanderous statements attributing to the communists types of behavior in which they do not engage has borne its fruit: "they are a pack of lies on cassette tape, dealing with 'golpismo', anti-democratic, totalitarianism, maintenance of the status quo, etc, etc."

There is no other way to deal with this defamation than to defend the workers. At the same time, some types of conduct that do not help the image of the communists must be changed.

In their relations with the workers and in the entities in which they participate, the communists must be firm, serene, patient, and cautious. They must know how to listen and how to make themselves heard. They must know how to earn professional respect, without being obsessed with careerism. The tendency to limit personal relationships to comrades or persons who are politically close should also be corrected.

Participation in UGT Initiatives

We must participate in all the initiatives of the UGT, not only to unmask the role and purposes of this organization—especially in its governing bodies--but to give particular status to those of the union, provided that:

- our action can have an influence on the discussion of the specific problems of the workers;
- participation is accomplished by democratic election or by a registration process of which advance notice is given to the structures and/or all the workers that are covered, as the case may be (a minimum of representativeness).

For example, we should not participate in initiatives announced by the party organizations that support the UGT.

[Box 2, p 3]

1.2 Objectives

In order to achieve the central objective of broadening the influence of the party in the sector and, therefore, placing ourselves in the leadership of the bank worker SBSI's ready to fight for the rights and interests of the class, we must increase our involvement in the union area, especially via:

- More contacts with the workers in the workplaces, encouraging them to discuss their specific problems and stressing, as regards many young bank workers, the fact that their contractual bond is made more tenuous by short-term contracts and service contracts (renting manpower);

(keep all the other items, adding two more between the fourth and fifth)

- Links with those elected on the Listas Unitarias within the scope of the Northern and Central Bank Worker Unions;
- Improving the existing relations with the Reformados;
- Giving special attention to the development of the union work in the company, which demands more intense activity in the party cells;
- Paying attention to those hired within the past 10 years (becoming more familiar with their problems and aspirations);
- Refinement of the methods and means of communication (a broadening and diversification of contacts with the workers, as well as written information).

1.3 Weaknesses in Our Work (new item)

- Absence or incorrect definition of priorities;
- A certain amount of liberalism, with bureaucratization and routine in our style of work, caused especially by the influence of reformists;
- Deficiencies in relations with the comrades in the CT's, sub-CT's, as well as with the Northern and Central Unions;
- Difficulties in reaching the workers with information on the positions we defend in the various publications;
- Ineffectiveness in monitoring the Reformados;
- Unfamiliarity with the activities of the Union of Staff Personnel and Technicians.

3. Giving Moral Guidance to the Structures

For various reasons, the workers sometimes have the impression that the structure, including the members of the Listas Unitarias, are not good for anything, that their members don't work, that they are absent without justification, etc.

The responsibility for the ineffectiveness of these bodies is often attributed to all its members.

We must always keep the following in mind, in our activities:

- That the role of the UGR is to discredit the structures;
- That the communists must be the first to combat this situation.

5. The Bank Workers' Cooperative and FOCOBA

Our work in these two areas has been useless.

It is urgent that we become familiar with and follow up on the problems inherent in these fields of intervention so that we can get involved.

- There has been no injection of new cadres, including young people and women.

- Some of the cadres have reached the point of physical and psychological burnout;

- The ideological battle, waged both through party materials--especially AVANTE and MILITANTE--and through contact by the comrades with the workers in the workplace has not been up to the level of which we are capable, and has not been equal to the need for response required by the offensive;

- The participation of the communists in mass actions, at both the general and sector areas, has diminished;

- Our activities in the structures have sometimes been diluted.

- The party has not always been fully independent in dealing with the Organizacoes Representativas dos Trabalhadores [Worker Representation Organizations].

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POLITICAL SWEDEN

PHYSICIANS DEBATE EFFECTS OF NUCLEAR POLICY ON LAPPS

Higher Radioactivity Limit Advised

Stockholm DAGENS NYHETER in Swedish 19 Oct 86 p 5

[Op Ed article by Magnus G. Lind, Stig A. Larsson, Lars-Erik Holm, and Lars-Gunnar Larsson; first paragraph is DAGENS NYHETER introduction]

[Text] Lapp culture is being sacrificed for no good reason because of political tactics and crass agricultural export interests. So say chief physician Magnus G. Lind, hospital physicist Stig A. Larsson, Associate Prof Lars-Erik Holm, and Prof Lars-Gunnar Larsson as they write here in protest against the low limit of 300 becquerels per kilogram that authorities have placed on reindeer meat. That limit has been established without any reasonable assessment of the risks and consequences having been made, say the four experts. The radiation dose just from average life in a Swedish home comes to 120,000 Bq per year for every individual in the country.

All human life involves some risk of sickness and death. We live with those risks and try to minimize them, but to a large extent we accept them--in traffic, for example.

Ionizing radiation from cesium in meat following the nuclear reactor accident in Chernobyl or nuclear test explosions could theoretically increase the risk of cancer to some extent. But it should be stressed that in the case of doses as low as those in question here, no one has ever been able to demonstrate an increased cancer risk either through animal experiments or epidemiologically.

On the basis of the Cancer Committee's risk figures, it is possible to estimate the number of expected cancer cases. Theoretically, the radioactive fallout from Chernobyl could result in a total of about 400 cases of cancer in Sweden over the next 50 years--that is, fewer than 10 per year. It is not possible to state the exact figure. On the other hand, we know with great certainty that during the same period, we can expect about 1.7 million cases of cancer in Sweden due to other causes, among them diet and smoking.

If smoking habits do not change, tobacco smoking alone is going to cause more than 250,000 cases of cancer over the next 50 years.

During that same period, about 40,000 people will die in traffic accidents. The fluctuation in traffic deaths is far greater than the total number of cancer cases that may occur in Sweden as a result of the Chernobyl accident.

But the anxiety or fear that many people feel in the face of that radioactivity has become very real.

In Sweden, the Lapps have been hit from above in two ways. First the cesium came raining down on them, and now the decisionmaking machinery has struck.

A "limit value" of 300 becquerels (Bq) of cesium-137 per kilogram of reindeer meat may destroy reindeer herding for many years, probably for the foreseeable future, and to a large extent, Lapp opportunities for work and Lapp culture will be wiped out as a result. That is the biggest human and cultural catastrophe in our country.

If the meat were really dangerous, it would be somewhat easier to accept the future fate of the Lapps. But alarming to say, they are being sacrificed for no good reason because of political tactics and crass agricultural export interests.

Radiation from the human body and the related risks can be stated in several ways. An intake of 75,000 Bq (1 Bq = 1 nuclear disintegration per second) of cesium-137 (combined with the current content of cesium-134 and so on) is estimated to yield a radiation dose of 2 mSv, and that is the figure that has been used to convert various additional irradiation levels in our environment to the corresponding annual intake of cesium-137--in meat, for example. (After a few years, when the cesium-134 will have decayed, we can expect 75,000 Bq of cesium-137 to yield a radiation dose of 1 mSv.)

In other words, all human beings receive radiation from space, from bedrock, and from their own bodies. The amount is greater at higher altitudes, where the air is thinner, and it varies depending on the makeup of the bedrock. On average, that radiation corresponds to an intake of 38,000 Bq per year.

Ionizing radiation in dwellings, which comes primarily from radon daughters, varies sharply depending on construction material, soil conditions, and ventilation. Radiation levels have proven to be higher than once believed. The National Institute of Radiation Protection [SSI] has reported the data to the Radon Committee (SSI Document No 03/149/82).

The average for every individual in Swedish dwellings corresponds to an intake of 120,000 Bq of cesium-137 per year. The maximum allowable limit corresponds to 900,000 Bq. The Institute of Radiation Protection estimates that 40,000 dwellings are above that limit and that 8,000 dwellings have a radiation level corresponding to an annual intake of 2.25 million Bq of cesium-137.

The National Institute of Radiation Protection reports that in theory, it can be estimated that the radiation in homes causes 400 cancer cases per year--that is, 20,000 cancer cases over a period of 50 years. That is 50 times more than the theoretical number of cancer cases that can be expected to result

from the Chernobyl disaster. Radon radiation in homes therefore presents a health risk that is far greater than the corresponding health risk due to cesium-137 in reindeer meat.

Radiation Table

Source	Amount
Natural background	38,000 Bq per year
Dwellings, average for every individual in Sweden	120,000 Bq per year
Dwellings, maximum level	900,000 Bq per year
1 kg grain (before Chernobyl)	75 Bq
1 kg reindeer meat, maximum level	300 Bq
100 kg reindeer meat (at 300 Bq/kg)	30,000 Bq
10 kg reindeer meat (at 3,000 Bq/kg)	30,000 Bq

Personnel--often young women--who work in X-ray departments and in the radiation treatment of cancer patients receive some radiation. In the case of that radiation, the upper limit regarded as acceptable for those thousands of people corresponds to 1.8 million Bq of cesium-137 per year.

X-ray examinations expose patients to ionizing radiation. A radiographic examination corresponds to an intake of 38,000 Bq of cesium-137 per exposure. A kidney X-ray corresponds to about 250,000 Bq.

Compared to those values and the general perils of life, the additional radiation from reindeer meat can hardly be regarded as constituting a significant risk. If you eat 10 kg of reindeer meat at 300 Bq per kilogram, the additional amount comes to 3,000 Bq. Ten kilograms of reindeer meat at 3,000 kg works out to 30,000 Bq, or approximately one-fourth of the dose received from average life in a Swedish dwelling. The radiation dose is still approximately one-sixteenth of the dose allowed for the young women and others who work in X-ray departments.

We find ourselves in an awful dilemma brought about by the low permissible limit that has been established for individual food products without any reasonable assessment of the risks and consequences having been made. Superficially, it looks good to set the maximum limits far below those which provoke debate, but the result is that the Lapps and their culture have now been unfairly sacrificed to preserve confidence in the authorities.

We must stand up for the right of the Lapp culture to exist in the interior of Norrland now that the issue of radioactivity is being exploited in Stockholm for political purposes and agricultural exports are requiring that we fall in line with the EC.

We cannot understand any approach except that of applying the risk levels for ionizing radiation uniformly. A natural starting point is the background radiation from our own bodies, space, and bedrock (38,000 Bq/year) and the radiation in Swedish homes. Background radiation is something that mankind has lived with for millions of years, and it is independent of all political

squabbling. The maximum permissible radiation levels in dwellings have been discussed for several years, and they correspond to an intake of 900,000 Bq of cesium-137 (and cesium-134).

Why should Lapp activity now be hit with such stiff regulations when we accept much higher radiation and cancer risks in dwellings?

It should be possible to raise the maximum level of 300 Bq/kg now applying to individual food items to at least 3,000 Bq/kg without thereby receiving a radiation dose that is unacceptable from the standpoint of medical risk--especially since the addition from cesium-134 will reduce the dose during coming years.

With levels as low as those in view here, it is unquestionable that the guiding factor as far as advice to the public is concerned must be total intake, not the amount of radiation per kilogram in an individual food item.

Minister of Energy and Environment Birgitta Dahl has reportedly said that the maximum level must be set so low that no one will feel concern. Perhaps out of a concern for people's worries, the results of sensible analysis have been ignored. It is instructive that after a while, that benevolence is going to have such tragic consequences for an ethnic minority.

The situation exposes the big gap that exists between the experts and the public. The overwhelming majority has no possibility of making an independent assessment of the consequences of radiation. Fear of the unknown and distrust of experts are understandable attitudes. The public needs to be better informed as to what the real risks in society are and how big they are so that it can judge the situation for itself.

It can be questioned whether the National Social Welfare Board, the National Food Administration, the National Board of Agriculture, and others have done anything at all to benefit the citizens in the situation that has arisen. A heavy responsibility rests on those authorities and on the Ministry of Energy and Environment. Those officials must build up confidence over the long term. A condition for doing so is that they stick to what they know and use similar criteria in assessing the dangers presented by various phenomena in society.

The Lapps must not be sacrificed and thrown into the "knowledge gap" between the experts and the public.

Higher Limit Threatens Lapps

Stockholm DAGENS NYHETER in Swedish 25 Oct 86 p 5

[Op Ed article by Lars H. Gustafsson]

[Text] The other day I sat talking to an 11-year-old Lapp girl. She said that every evening she thought about the disaster in Chernobyl and what it had started. I asked her if she thought about the danger to her own health or about what kind of future she had as a Lapp.

"No, not so," she answered. "I think mostly about the reindeer. Why should they have to suffer because of what people cause? The reindeer didn't do anything wrong."

I happened to think about her simple and obvious answer as I was reading "Lapps Sacrificed for no Good Reason," the remarkably ill-informed article written by the four cancer experts (DAGENS NYHETER Op Ed page, 19 October). Those experts claim to be speaking on behalf of the Lapps, but in fact they are using them, as has happened so many times before, as a weapon.

On the basis of extensive playing with figures, the experts try to prove that the maximum level for meat (300 becquerels per kilogram), which was already established before Chernobyl, is too low. As a pediatrician, I am often asked questions about the risks as far as children are concerned, so I have tried to read as much as possible on the subject. And I have found that the risk assessments diverge widely.

Some people--the authors of the article, for example--feel that the risk of cancer is small, while others present considerably higher risk figures. Some say the risk of genetic damage is great, while others say it is negligible. Some researchers say that children should be regarded as a group particularly at risk, while others say that children are less exposed than adults.

My conclusion is this: we are still at a prescientific stage where the final word is far from having been spoken. No one has been able to come up with the lowest radiation level at which we can feel secure. So it is a little depressing to see the scribes self-assuredly and arrogantly beating each other on the head with their scrolls. And in that situation, it strikes me as foolish to raise the maximum permissible levels just because an accident has occurred.

The four cancer experts point to a number of other risks facing the population and say that compared to them, radiation from meat is something we can put up with. In other words, they are using without a quaver the argument that prevented progress in occupational safety, traffic safety work, and the prevention of childhood accidents for so many years: "Life is already so dangerous that it makes no difference if we accept one more risk!" It would seem more natural to say: "Since we are already running so much risk of radiation as a result of background radiation, radiation in homes, and the many X-ray examinations that are made, let us not tolerate any more under any circumstances!"

I am not saying that we should disregard the other risks mentioned--quite the contrary. Let us continue to clean up houses where radon is present. And let us continue to progress in the direction of other examination methods that will make X-rays even less frequent than they are today. This is an area where the article's authors, all of whom work in the health service, have a big job to do.

The authors also say that we should stick to what we know and use "similar criteria in assessing the dangers presented by various phenomena in society."

Why accept one limit value in homes containing radon, another for X-ray examinations, and a third, and lower one, for food items?

The answer should be obvious. To some extent, we can decide where we will live, we can clean up homes and even tear them down, and we can limit the number of X-ray examinations and weigh the benefits against the risks each time--but we have to eat! We must be able to rely on our staple foods, which stay with us throughout our lives. In the case of Lapps, reindeer meat is a staple. Raising the limit value only for reindeer meat would therefore mean a far greater threat against Lapp culture in the long run.

It is a good thing that the situation of the Lapps has become the focus of attention. It is correct to say that their culture is threatened. But that circumstance is due to factors far more numerous and complicated than the ones put forward by the four cancer experts. Those factors include the exploitation of reindeer grazing land, the cutting down of forests near the high mountains, construction of the space center in Kiruna, and the cool attitude--especially in an earlier day--toward the Lapps' obvious right to an ethnic, cultural, and linguistic identity. They also include nuclear weapon tests--and nuclear power. It is very naive to believe that those problems will be solved by raising the permissible radiation levels in reindeer meat.

I would like to propose a number of other measures:

1. Rapidly increase the subsidy for reindeer research so we can keep track of what happens in coming years.

2. Give the Lapps financial compensation so that their immediate future will not be dependent on the sale of reindeer meat. A respite in which to think things over is needed.

3. Appoint a broad parliamentary committee with strong Lapp influence to carry out a speedy investigation of the situation that has arisen. Its clearly expressed purpose should be to give the Lapps the support needed for preserving and developing the Lapp culture and economy. The committee should call in experts with differing opinions.

4. Let the situation of the Lapps be an important argument in favor of phasing out the Swedish nuclear program as quickly as possible.

5. Bring up the threat to the reindeer economy and the Lapps in international settings whenever energy and the rights of minorities and children are being discussed, primarily at the United Nations. Give a joint group of independent experts in all areas the task of drawing up a situation report that can be used as the basic document.

In other words, do something for the Lapps! Don't sacrifice them by raising the permissible levels of cesium in reindeer meat without good cause!

11798
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SOCIAL EUROPEAN AFFAIRS

HOUSING CREDIT AGREEMENT FOR TURKISH WORKERS IN GERMANY

Istanbul TERCUMAN in Turkish 13 Jul 86 p 4

[Article by Fahir Ersin]

[Text] Bonn--Akajans--The "Yeddiem Agreement" designed so that the housing credit created by the construction-savings accounts of Turkish citizens who reside in West Germany can be used in Turkey will be signed on 17 July in Ankara.

For this purpose, a five-man delegation headed by Union of Private Construction-Savings Departments Chairman Otto Schafer and including union Secretary General Dr Joachim Degner, Union of State Construction-Savings Departments administrators Bernhard Wischmeier and Rudiger Wisechers, and European Housing Fund Director of Financial Affairs Director Gunter Sahwalt will arrive in Turkey on 17 July.

With the signing of the Yeddiem Agreement by officials from the Prime Ministerial Directorate of Mass Housing and Public Corporations and the Turkish Real Estate Credit Bank in Ankara, the transfer of housing credit to Turkey will begin.

On 30 July, a delegation from Ankara will travel to Bonn to form a joint commission of Turkish and German officials which will administer the transfer of housing credit to Turkey. The purpose of the commission is to eliminate possible misunderstandings that could be encountered during application of the agreement.

11673
CSO: 3554/162

ECONOMIC BELGIUM

MAYSTADT ON INVESTMENTS, EXPORTS, INFLATION, REGIONS

Brussels LE SOIR in French 3 Nov 86

[Beatrice Delvaux and Guy Depas interview Minister of Economic Affairs Maystadt]

[Text] We have handicaps more burdensome than those of our partners. Giving renewed impetus to consumption would be more beneficial to our neighbors than to us. As for income reduction, the limit has been reached. We are obviously not aggressive enough when it comes to exports. Legal means are needed to break price fixing. Flanders and Wallonia are progressing at the same rate. Once the budgetary objective has been reached, income tax reduction will be my priority.

[Question] Are the economies of industrialized countries, emulating the United States and, more recently and closer, West Germany, finally entering the virtuous circle of economic growth?

[Answer] It does not look obvious to me when I look at Belgium. We are experiencing an approximate 1.2 percent growth, which is not extraordinary. But we have handicaps more burdensome than those of our partners. We therefore chose austerity and temporary weakness in order to find, in the end, conditions for a healthy and lasting growth.

[Question] Let us talk about investments. In your opinion, what is the cause of their new spurt of activities after a long period of lethargy?

[Answer] It is clear that investments are in a strong growth cycle. But they are starting from a very low level. It is therefore not yet satisfactory. They are, however, very positive indexes: Yet, the statistics of Fabrimetal, a sector which is experiencing difficulties, show that their members' growth rate of investments could reach 50 percent.

[Question] Do these new investments involve rationalization and expansion?

[Answer] For the first time, they do not just involve rationalization. The number of non-residential building permits for the first 6 months of 1986, which increased by 21 percent, is an indicator confirming the data issued by the enterprises throughout the country.

[Question] Do investments therefore mean employment?

[Answer] Experience taught us that there is no longer an automatic link between investments and the creation of jobs. Today, former German Chancellor Schmidt's saying: "Today's profits are tomorrow's investments and day after tomorrow' jobs," must be tempered.

[Question] Should investments, which are predicted to drop in 1987, be supported?

[Answer] The decline is normal. Such a high rate cannot be sustained indefinitely. Does this warrant implementing support measures? There lies the whole debate! Some say that investments experience growth spurts on their own according to the economic climate. I believe, however, that permanent measures must be taken. It is not an isolated idea, Raymond Barre has just made identical proposals.

The Support of Risk Capital Less Costly Than... Retirement Savings Funds

[Question] What kind of permanent measures do you advocate?

[Answer] In my draft bill for the promotion of industrial investments, capital and speculative projects, I propose, among other things, an increase of 20 to 25 percent in tax deductions for research and development investments; an easing of the legislation pertaining to innovative companies, it is something which I value very much; and the creation of a truly speculative joint investment fund, or venture capital. It would involve joint investment funds specialized in the financing of innovative companies. These are two measures capable of bringing about a modernization of our industrial fabric.

[Question] Minister Eyskens' retirement savings fund and Philippe Maystadt's investment funds for innovating companies. Is there room in Belgium for these two projects?

[Answer] Yes, they have different goals. The retirement savings fund has a long-term objective geared to senior citizens. It therefore answers a security purpose, which is contrary to real risk capital investments. As for my project, it addresses the concern of promoting industrial modernization via companies involved in high risk advanced technology industries. These two goals must be pursued with strickly different tools.

[Question] Can state funds support these liberalities?

[Answer] The finance administration made some estimates. And the budgetary cost is not enormous. The deduction for research and development would cost the state 200 million. As for the impact of the project affecting the innovative companies, it is ridiculous. In any case, it will cost less than the retirement savings fund, while being at least as important.

Giving New Impetus To Consumption, Out Of The Question

[Question] According to the IRES [Institute of Economic and Social Research], the Belgian gross national product for 1986 and 1987 will remain much smaller than that of the European average. Is it due to the Val Duchesse effect?

[Answer] The Val Duchesse effect is not the only cause. The European average includes the German performances which also create the gap.

[Question] Should the gap be spanned through specific policies? In other words, has not the time come to enact some type of policy to give new impetus to consumption?

[Answer] To support, alone, the demand for a so-called reflation policy of consumption is very dangerous for the balance of payment and, by induction, for the competitiveness of companies, their investments and, finally, employment. As a matter of fact, this policy is more advantageous to our neighbors, for the additional buying power artificially infused into the economy goes increasingly toward imported goods. The French noted this with their reflation experiment of 1981. Conversely, however, it would be dangerous to carry out a policy aimed solely at reducing production costs without making sure that this reorganization, albeit essential, is warranted by a demand coming not only from foreign markets, but also from national economic players.

[Question] In unambiguous terms, does this mean that we cannot go further in income reduction?

[Answer] As far as the general limitation of the buying power is concerned, it is obvious to me that we have reached the limit and that, if the index were to jump beyond a third time, the negative consequences of the income reductions could overcome the positive consequences which are the reestablishment of the competitiveness of enterprises and the improved trade balance.

Our Exports Increase But Not Enough

[Question] Precisely. Our exports only increased by 2.5 percent in 1985 whereas the trade increase within the EEC was 5.5 percent...

[Answer] The EEC figures for 1985 were once again inflated by the German performance. The news is better for 1986, especially as far as Belgium is concerned. The increase of exports over the first 8 months of 1986, as compared to the first 8 months of 1985, is 6.5 percent. It is rather clear. As for the imports, they certainly increased by 10 percent, but it is rather logical considering our effort on the side of investments, which lead to the purchase of capital goods abroad and to the increased bying power of households. Moreover, it is proof that it is currently impossible to give new impetus to private consumption.

We must nevertheless recognize that we have lost ground on some markets, due, in particular, to reasons of commercial dynamism. Obviously, we are not aggressive enough when it comes to exports.

[Question] What can the minister of economic affairs do on that score?

[Answer] I have a project close to my heart that has something to do with an expanded definition of investment. An investment is not only material. It covers research, trade, marketing, etc. It has become increasingly a current expense which can take 5 years to show a profit. Now, as far as taxes are concerned, these types of investments are unknown.

[Question] On a more general level, has the minister the means of carrying out an economic policy?

[Answer] We have, as yet, no margin of maneuver. It will come into being only after we have reached the budgetary goal. It is "the" priority.

Inflation Continues To Stick To Us

[Question] Exclusive of the price of energy, inflation remains high. It is estimated at 4 percent, or clearly more than in Germany and the Netherlands?

[Answer] There are structural causes, beyond the characteristics of the economic situation, for the price increases in our country. I was very much struck by the manner in which certain products remained rigidly high, although they were favorably influenced by the fall of oil prices. Inflationary tendencies are linked, among other things, to persistent imbalances in our economic structures. The persistence of inflationary anticipations in our country is another cause. People are convinced that the lower prices are only temporary. It is finally a cultural problem.

[Question] Does this justify a new price policy?

[Answer] This validates the struggle for better competition. Hence my draft bill on commercial practices and consumers' protection. It takes legal means to break price fixing. I am convinced that, in the middle run, this liberalization guarantees a better quality-price ratio to the consumer. For this to work, however, one must play the game. This has not always been the case until now.

[Question] An what is your policy in the matter of interest rates?

[Answer] Our Belgian margin of maneuver is very small. I note, moreover, that the basic interest rate level taken in Val Duchesse has already been exceeded.

[Question] Higher interest rates, growth rates lower than the Val Duchesse estimates, does the budgetary control augur ill?

[Answer] As a matter of fact, it will likely be difficult.

No Significant Difference Between Flanders and Wallonia

[Question] And how is the Wallon economy faring? Does Belgium really has two growth rates?

[Answer] The IRES is in the process of conducting a very interesting research through a minutely broken down model of the Belgian economy. And its conclusion is that, by sector of activity, at a very fine level, there is no significant difference between Flanders and Wallonia. The general gap noted between the two regions comes from the difference in their industrial structure, Wallonia being "heavy" with regressive products. As a matter of fact, Wallonia and Flanders are comparable to two bicycle runners ascending the Puy de Dome. Flanders is two hairpin bends higher, but the two runners are cycling at the same rate and with the same courage!

All the slogans hurled by all sides must therefore be assessed relatively. The image of Belgium with two growth rates is simplistic. There are, in fact, as many growths as there are communes in Belgium. And the gap between Limburg and Antwerp is sharper than the one between Wallonia and Flanders.

[Question] Are not you concerned by the recent shutdown of Wallon enterprises?

[Answer] I do not believe Wallonia is dying. It is experiencing a difficult reorganization which, however, will get it back on track. We must simply manage these transitions wisely.

A few years from now, we will have a reorganized Wallonia in a cruising speed facing a Flanders which will have reorganizational problems. The problem of the shipyards and the KS may be delayed, but not indifinitely.

[Question] What about the tax reform?

[Answer] The income tax reduction will be my priority as soon as a margin of budgetary maneuver is restored.

[Question] Meanwhile, make room for speculative wages?

[Answer] My project of participating wages is not an answer to this income tax problem. It is, above all, a means of making cadres and personnel more dynamic and of encouraging them. It seems to me, moreover, that it is an idea which is becoming increasingly acceptable to the workers.

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CSO: 3619/10

ECONOMIC

BELGIUM

WALLOON SOCIALISTS PROPOSE ALTERNATIVE BUDGET PLAN

Spitaels on Details

Brussels LE SOIR in French 10 Sep 86 p 2

[Article by Guy Depas, Guy Duplat, and Benedicte Vaes: "Guy Spitaels: 'In the Midst of the Present Confusion, I Must Tell You What the Socialists Would Do'"; quotation marks as published]

[Text] On 31 May Guy Spitaels told LE SOIR: "I am not the prime minister. I don't hold the cards. This is not the time to put forward an alternative to the government's program, since the majority of the Chamber has just declared its confidence [in the government]."

By 8 September that attitude had changed: "I am now convinced," he told us, "that given people's confusion and the feeling of weariness inspired by Martens VI, I must say what the Socialists might do."

[LE SOIR] Who is behind you?

[Spitaels] No one. I am acting on my own initiative, but after having informed my political friends, who expressed their approval. I do this without distancing myself from the party's program or rejecting the agreement reached between the PS and the FGTB.

[Question] Whom are you addressing?

[Answer] Not particularly the parties of the majority, who believe that when Spitaels is quiet, he has nothing to say, and when he says something, he's spinning yarns. Instead, I am speaking to the people.

[Question] In order to recover power?

[Answer] I am not panting after power. It is true that I would like to bring down the administration, but at the same time it is obvious that because of the composition of the majority, events do not depend on me. But it is time people realized that the Socialist Party represents an alternative that combines economic requirements with fidelity to social commitments.

[Question] So what are the main features of your alternative plan?

[Answer] With the same measures, we must make the cuts required to reduce the budget deficit, consistent with stabilizing public finances, while categorically rejecting the loss of jobs contemplated in Val-Duchesse, a loss calculated by the Generale de Banque, among others, to be between 40,000 and 50,000 in the public and private sectors combined.

[Question] Aren't you trying to square the circle?

[Answer] Absolutely not! And this is what I hope I have shown. Employment is my first concern. Therefore, as I propose, we must protect government employees and stimulate a sufficiently strong recovery through public investment to ensure, particularly in the building industry, the maintenance of employment among private workers. We must also, and this is my second concern, declare social security off limits.

[Question] But we still need to bring the budget deficit down to the equivalent of 8 percent of the gross national product in 1987...

[Answer] Of course. And to do this, I am proposing 120 billion in savings.

[Question] But the administration says that 195 are needed to reach this objective...

[Answer] They are mistaken. They have distorted reality. I'm not going out on a limb when I say this, since nearly everyone now believes it. In fact, the government's financing needs, with policy unchanged, i.e., without the effects of Val-Duchesse, are much less than the budget ministry asserts. For 1987, taking as a base the last statistics published by the ministry of finance, they can be estimated at Fr556 billion and not Fr624 billion, as Guy Verhofstadt has stated, probably in order to give himself some maneuvering room. Working from there, 120 billion in savings would be enough to bring the budget deficit down to 8 percent of the gross national product.

[Question] Is that the Socialist "antidote" to Val-Duchesse?

[Answer] You might call it that. Note that with the exception of a tax on wealth of greater than Fr20 million, accounting for a total amount of Fr3.5 billion, my savings plan involves no new taxes. Nor does it threaten the multiyear tax-relief program that is now law. At the same time, it avoids the loss of jobs that is implicit in Val-Duchesse and does not harm the unemployed, women, retirees, the ill, or the handicapped.

[Question] All right, no new taxes; but you would crack down on evasion...

[Answer] Let's be clear about this. There is no question in my mind of mercilessly pursuing the petty evader. On the other hand, we must continue to track down the big offenders, those the ISI was after under the old formula and which accounted for annual receipts on the order of Fr5 billion. Need I say that I reject the easy solution of offsetting the drop in the price of oil with additional taxes on consumption?

[Question] Before reviewing it item by item, if you had to set out the philosophy of your plan in a few words, how would you do it?

[Answer] No demagogy. A policy of realism, tempered with socialist fidelity to social concerns. Budget cuts, on the one hand; defense of needy groups, and of employment, on the other.

[Question] Coming late onto the scene and witnessing the 17 refusals of the Christian unions at a time when they may still hold the administration's fate in their hands, won't you be accused of political opportunism?

[Answer] The cards have been reshuffled since May, when the impression that Val-Duchesse would not succeed was still predominant. What I would like is to convince people that there is a hopeful alternative.

[Question] A governmental policy program?

[Answer] That would be nice, but I'm not plotting. I'm telling people that what they would like to hear is possible.

The Socialists' Alternative Policy

"I reject the idea of layoffs and job losses in education and the public sector. One hundred thousand jobs have been lost already, and that's enough. There can be no question of accepting an additional loss of 40,000 or 50,000 jobs, as contemplated by the administration's plan. I also reject cutbacks in services to the unemployed, retirees and those nearing retirement, the sick, and the handicapped. At the same time, I say that the Fr120 billion in planned savings are real.

Net Amount To Be Financed

Guy Spitaels believes that it is realistic and reasonable to set government financing requirements at Fr570 billion at the end of 1986. He believes further that this amount will increase through October and then decrease with receipts of tax revenues. Quoting the prime minister himself, he adds that the Val-Duchesse plan will have almost no impact in 1986.

The chairman of the PS insists: "The budget deficit is overestimated. For the government's 1987 financing requirements, the Spitaels plan uses exactly the same assumptions as Val-Duchesse (GNP, inflation, price of oil, etc.).

Interior

The Spitaels alternative calls for reducing costs by more than Fr5 billion. He would impose cuts of Fr2.8 billion that would be balanced by four corrective measures benefiting the Provincial and Communal Fund: maintenance of the CST and TCT, without recourse to the formula of subsidized contractors; maintenance of the Regional allocation, on which depend subsidized works projects and intervention benefiting CPAS; maintenance of Fr1.5 billion for pensions; and 100 percent funding of the national investment program, which would permit shifts to the regions, particularly for urban renewal programs.

Development Assistance

Fr500 million, instead of Fr800 million, would be requested for this department, "which has substantial financial reserves."

Defense

The projected savings of Fr8 billion involve only equipment, particularly the delay of large purchases as a result of orders already placed, and the stationing of Belgian troops in Germany. Spitaels has declared that he is against extending the length of military service.

Communities and Regions

Not one franc given up under the Spitaels plan.

"To ask local and regional government to make sacrifices would be especially dangerous since new negotiations are beginning and the prime minister advocates Gaston Geens' ideas of transferring power through taxes levied and collected by the regional governments. "To weaken the regions now would be irresponsible," says the leader of the PS.

Economic Affairs

Here cuts are reduced by half. Spitaels agrees with reducing the resources of the Industrial Renovation Fund (FRI) by Fr1.5 billion, but on one condition: "What the FRI needs at bottom is not advances but its own resources, and particularly a change in the investment statute."

Communications (SNCB [Belgian State Railway], Postal Service)

"I accept only one-third of the projected cuts. I want to stop the loss of jobs, and I reject layoffs." The alternative plan calls for saving Fr5.6 billion through individual steps such as selling excess shares in the SNCB and reforms in the operation and management of the postal service. "Not even the unions deny the need for modernization."

Public Investment

Rejection of any cuts. The investment program would climb from Fr70 billion to Fr100 billion in 1987 and "this stimulus should save jobs and improve buying power." Spitaels therefore refuses to change the value added tax rate in the building industry.

Social Programs

The alternative plan rejects any savings "at the expense of cohabitants, retirees, and the sick." No sacrifices would be asked of the unemployed. As for social security, the Spitaels plan retains the transfer to employers of the second week of workers' sick leave, but it does not accept any modification in the distribution of charges between big and small to medium-sized

business (the cost of which is Fr3 billion). Like Val-Duchesse, it asks for Fr3 billion from clinical testing laboratories and radiologists. It reduces the sacrifices asked of hospitals from Fr2.5 billion to Fr1.8 billion. Spitaels says that hospitals should have to eliminate fewer beds than anticipated (a total of 600 in 1987), but in return they would have to respect the scheduling of purchases of costly equipment and agree to more rigorous control over hospitalizations, especially in university clinics. Lastly, the cuts anticipated in the pension area would only affect capital reserves.

Civil Service

The alternative plan calls for just Fr3 billion of austerity measures instead of Fr10 billion. Fr2 billion would be gleaned through personnel reorganization (mobility, flexibility) and by not filling jobs vacated by attrition. Another billion francs would be obtained from government credit institutions, which would remain subject to obligatory withholding.

Education

"I agree to reduce expenses of educational facilities by Fr9 billion. But the sacrifices must be redistributed more equitably among the systems."

Spitaels opposes any tampering with jobs or educational resources. "There is no question of touching renovation." He hopes to save Fr1.7 billion in ordinary credits through rationalization of the residential system and of school transportation; elimination of payments of salaries not due and of supervisory allowances; a more rapid and flexible system of reassigning reserve teachers; increased mobility; reduced absenteeism toward the end of teachers' careers, etc.

Universities

Although he favors increasing the minerval to Fr16,000, the leader of the PS rejects reductions in the social budget and in the number of subsidizable students.

Science Policy

"Firms that have been well aided can devote more funds to financing their research." The proposal: Fr80 million less for the IRSIA. In addition, Fr770 million would be withdrawn from the Royal Military School (which is doubly subsidized) and 900 million from international activities such as CERN (European Nuclear Research Center) or the Kalkar breeder reactor, without affecting ESPRIT [European Strategic Program for Research and Development into Information Technology] or any other EEC research programs.

Taxes

An additional Fr5 billion would be trimmed from the business tax system only. This would eliminate the possibility of limited liability companies (SPRLs) being able to choose their tax scheme; the limitation of losses deductible by partners; the present tax treatment of meal coupons and automobile expenses; and the advantage of multinationals' coordination centers.

In Billions of Francs

Forecast of Net Balance To Be Financed as of the End of 1986

MARTENS VI: no change in policy (without Val-Duchesse)	640		SPITAELS: estimate based on July 1986 data from ministry of finance (without significant effect from Val-Duchesse)	570	

1987

1. MARTENS VI: forecast of net balance to be financed as of 12/31/87 with no change in policy (without Val-Duchesse). Rate of GNP growth: 2.2%; increase in expenses: 2%; inflation: 1.5%)	624		1. SPITAELS: forecast of net balance to be financed as of 12/31/87 with no change in policy (without Val-Duchesse). Rate of GNP growth: 2.2%; increase in expenses: 2%; inflation: 1.5%)	556	
2. MARTENS VI:			2. SPITAELS:		
1. Additional costs and expenses in 1987:		+13	1. Additional costs and expenses in 1987:		+13
2. Near-term effects. Reduction in oil prices and interest rates in 1987:		-29	2. Near-term effects. Reduction in oil prices and interest rates in 1987:		-29
3. VAL-DUCHESSE			3. SPITAELS PROPOSAL		
1. Statutory departments		-20.2	1. Statutory departments		-14.9
incl. Justice	-0.3		incl. Justice	-0.3	
Interior	-8.0		Interior	-2.8	
For. affs/For. trade	-1.5		For. affs/For. trade	-0.8	
Development aid	-0.8		Development aid	-0.5	
Finance	-3.1		Finance	-2.5	
Defense	-5.7		Defense	-8.0	
2. Communities and Regions		-6.6	2. Communities and Regions		-0.0
3. Economic group		-20.7	3. Economic group		-9.6
incl. Agriculture	-0.7		incl. Agriculture	-0.7	
Economic affairs	-3.3		Economic affairs	-1.5	

Communications		-14.9	
incl. SNCB, STI [Natl. Comm. Serv.], SNCV	-6.6		
Marit. Cr. Fund	-2.3		
Postal Service	-3.1		
Public works		-1.8	
4. Public investments			-13.2
5. Social group			-52.0
incl. Social sec., public, health, pensions		-31.0	
Jobs, labor		-21.0	
6. Civil service			-10.7
7. Education group			-21.3
incl. School buildings		-9.0	
Ordinary credits		-12.3	
8. Universities and science policy			-5.3
9. Tax system			-13.0
10. Revenue enhancement and tax on property > 20 million			-0.0
11. National debt			-30.0
12. Miscellaneous headings			-1.8
			-194.8

4. MARTENS VI: net balance to be financed as of 12/31/87:

	624
+	13
-	29
-	195
	413

or 8.1% of 1987 GNP.

Communications		-5.6	
incl. SNCB, STI [Natl. Comm. Serv.], SNCV	-2.3		
Marit. Cr. Fund	-2.3		
Postal Service	-1.0		
Public works		-1.8	
4. Public investment (stimulus)			-0.0
5. Social group			-12.3
incl. Social sec., public, health, pensions		-12.3	
Jobs, labor		-0.0	
6. Civil service			-2.9
7. Education group			-10.7
incl. School buildings		-9.0	
Ordinary credits		-1.7	
8. Universities and science policy			-2.5
9. Tax system			-17.9
10. Revenue enhancement and tax on property > 20 million			-10.5
11. National debt			-37.0
12. Miscellaneous headings			-1.8
			-120.1

4. SPITAELS: net balance to be financed as of 12/31/87:

	556
+	13
-	29
-	120
	420

or 8.2% of 1987 GNP.

Tax Revenues, Property Tax

Although he rejects the EEC and OECD idea of taxing gasoline consumption ("So much the better if people can breathe a little!"), Spitaels proposes taxing personal property worth more than Fr20 million (Fr3.5 billion) and retaining the old regulations of the Special Tax Inspectorate (ISI), which permitted recovery of Fr5 billion in unpaid taxes each year.

National Debt

"Let's not play dumb. At issue is a rescheduling of the national debt and not a conversion or consolidation. It would therefore be possible immediately to readapt the formula to the realities of the financial market and to ask our banking and underwriting partners for an additional tax contribution (10 percent) that would be proportional to their profits. "No demagogy! But obtaining 3 or 4 billion francs in this way seems perfectly reasonable to me," says Guy Spitaels.

Reaction of Other Parties

Brussels LE SOIR in French 11 Sep 86 p 2

[Article by G.D. and M.V.Dr.: "From Caution to Denial"; quotation marks as published]

[Text] "Interesting in both form and content." Philippe Maystadt, French-speaking Christian Democratic minister of economic affairs, is the only member of the administration who has commented on the Spitaels alternative to Val-Duchesse without condemning it either for lack of technical rigor or for defects in political ethics.

Prime Minister Wilfried Martens for the moment has refrained from comment. However, his staff emphasizes that with respect to the savings required to bring the budget deficit back to 8 percent of the gross national product in 1987, all competent and objective sources cite the figure of Fr195 billion. With respect to ways and means, according to the top advisers to the head of the government, the PS chief is proposing an additional increase of Fr15 billion in tax pressure, additional savings of Fr7 billion, Fr6 billion of which were decided on by the governmental agreement of 3 August, and a reduction of Fr97 billion in austerity measures, including the Fr75 billion that all experts consider indispensable to meeting the goal that has been set.

In the office of Vice Prime Minister Jean Gol (PRL), presently in Washington, one hears a bittersweet comment to the effect that Spitaels says he is not hungry but apparently wants to eat the appetizer and the dessert without the main dish. Echoing Louis Michel, chairman of the French-speaking Liberal Party, Gol's office explains that these distinctions are misleading, since Spitaels is retaining Val-Duchesse, after having removed the socially difficult parts and seasoning the rest with a bit of socialist ketchup containing a number of errors of pure doctrine.

Consider this image from Gerard Deprez, chairman of the PSC: "Mr Spitaels reminds me of a bicycle racer who takes off with a lead of 68 m (meters or billions, you choose) over the other contestants and arrives at the finish line 7 m behind them after having carefully avoided climbing any of the most difficult hills."

Eyskens: "Unrealistic"

For Finance Minister Mark Eyskens (CVP), the budget proposals of the Socialist leader are minimalist and unrealistic. According to him, there is no question of bringing the deficit down to 8 percent of GNP with only Fr120 billion in cuts. The Spitaels approach, continues Eyskens, would block any possibility of reducing tax pressure, raise interest rates by taxing the banks, and have deflationary consequences through the proposed tax on wealth by causing a capital flight harmful to small and medium-sized business. Citing treasury statistics for the first 8 months of 1986 (an increase of Fr504.3 billion in the national debt and a 3.1 percent increase in tax revenue, while the budget was based on an increase of 4.5 percent), the finance minister disputes Spitaels' claim that the deficit has been overestimated assuming no change in policy.

Lastly, Guy Verhofstadt (PVV), vice prime minister and budget minister, declares that he is surprised and disappointed. The PS chairman's initiative, he says, is tainted by flagrant technical errors in the effort arbitrarily to reduce by Fr70 billion the deficit that must be absorbed in 1987. The budget minister adds that the plan lacks originality, since it reproduces the Val-Duchesse plan with the sensitive points erased and shows that Spitaels sees no alternative to raising taxes as a means of reorganizing the country's finances. What this signifies, Verhofstadt concludes, is that Guy Spitaels lacks political courage. Verhofstadt recalls the statement of a former Socialist budget minister (Guy Mathot, NDLR) to the International Monetary Fund: "Belgium's financial problems came on spontaneously and will disappear in the same way."

FGTB: Caught Off Guard

"Haven't read it; don't have time," was the initial reaction of Andre Vanden Broucke, national president of the FGTB, to the publication in our Tuesday editions of the "Spitaels counter-plan." That terse response confirms that the initiative of the PS leader was not preceded by consultation, or even communication, with the trade union leadership.

Although more subtle, Jean Gayetot, president of the FGTB's Walloon interregional branch--with which the PS has had an agreement on a common platform since June 1985--could nevertheless not hide his bitterness. Not everything in the Spitaels proposals is negative, he declares, but he nevertheless regrets that the PS chairman felt it necessary to go on the offensive without prior discussions with the union. In Gayetot's view, an updating of the June 1985 agreement was needed, in view of the development of the national and international economic context. He added that on Thursday party and union were to meet to explore the most promising solutions. Since

Spitaels has taken off on his own, that meeting would no longer serve any purpose.

To the extent, however, that Spitaels' initiative is in fact an appeal to the Christian Democrats, says Gayetot, the FGTB's Walloon interregional branch is ready to grab the ball on the rebound and invite its political and trade union "partners" to seek out the bases for an alternative position that could be defended in common.

And what exactly does the CSC think of this? At the Tuesday meeting of the national secretariat, the question was not raised. This permitted Jef Houthuys, the union's president, to paraphrase Spitaels, saying, "They are the PS; we are the CSC; their proposal is a strictly political matter to be negotiated between political parties and in which the unions have no role."

Robert d'Hondt, secretary-general and Walloon leader of the CSC, was more eloquent in stating, "Coming after Val-Duchesse, the alternative formulated by the chairman of the PS is obviously a piece of political opportunism." He regrets that the PS, which holds a majority in Wallonia, has not put forth a more complete political program. Inadequate? The proof, D'Hondt continues, is that none of the trade union concerns relative to the interprofessional accord appear in the "Spitaels plan." No alternative put forward by the PS will be credible, he emphasizes, if it does not lead to a common governmental program with the SP, one that would include the national debt and the government's budget, which are directly related to safeguarding social security, public and private jobs, and the sharing of burdens among citizens.

Roger Mene, president of the Trade Union of the Middle Classes: "What do I think of the 'Spitaels plan'?" Not much that's any good. The administration supposedly made the bride out to be uglier than she is. That's the reverse of what usually happens.

"I see that Mr Spitaels, among other things, has eliminated Fr5 billion in business incentives designed to stimulate jobs. When you eliminate the incentives, you eliminate the rest as well. On top of that, he's flattering his Socialist constituency by bringing back that old line about tax fraud. But he doesn't mention social fraud.

"As for the tax on great wealth, he means taxing real estate, which is already almost worthless. Do we want to kill the building industry once and for all? In reality, what Mr Spitaels has just proved is that the only possible plan is Val-Duchesse. His plan is for the birds."

FEB: "Demagogic"

Raymond Pulinckx, deputy administrator of the Belgian Business Federation (FEB), comments, "Mr Spitaels' plan should be well received by the public at large, because it seems to accomplish the same reorganization without the most painful stresses on employment, social benefits, and economic activity. But how can this be possible? Is Martens VI behaving masochistically in foisting upon the population sacrifices that are not called for by the

situation? We had given Guy Spitaels credit for not making ill-considered promises. Now we are seeing a change of tack.

"For example, he states that the administration has exaggerated the budget deficit by about Fr70 billion. Is the administration flagellating itself and its constituency? I know that in the past, budget deficits have always been greater than predicted, with one exception, and never the other way around. But if the budget reform were to be greater than predicted, bravo! With a deficit that still represents 8 percent of the gross national product, we're still twice the European average."

Pulinckx concludes, "The Spitaels plan is not credible precisely because it neglects the work that will still have to be done to reach the European norm. I think that for political reasons he is indulging in demagogic promises; he's pleasing everybody. But I'm surprised, because that is not Spitaels' way and doesn't correspond with his stance in recent years. He has probably observed that reason doesn't pay in politics, so he's begun to be unreasonable."

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ECONOMIC TURKEY

ECONOMIC IMPLICATIONS OF PAKDEMIRLI DEFEAT

Istanbul DUNYA in Turkish 29 Sep 86 pp 1,9

[Text] Ankara (DUNYA) - Ekrem Pakdemirli, who resigned from his post as under secretary of the Treasury and foreign trade to run for ANAP [Motherland Party] national deputy for Manisa District 1, lost the election.

The position of Treasury and foreign trade under secretary was formed at the same time as the Ozal government, and Ekrem Pakdemirli was brought in to head the organization, which became the most important body in implementation of the government's economic policy. During his term as under secretary, Pakdemirli played the number-one role in preparation of the foreign trade regime. He frequently disagreed with Minister of State Kaya Erdem and SPO [State Planning Organization] Under Secretary Yusuf Bozkurt Ozal, who oversee implementation of export and import policy and such matters as solving problems, and became famous in public opinion for his stubbornness, constantly drawing reactions from both the ANAP organization and business circles. Accused of following a no-compromise policy, Pakdemirli was also unable to agree with the Central Bank administration, on interest policy in particular.

Ekrem Pakdemirli lost prestige in recent months with his failure to produce a solution to the steadily rising foreign trade deficit and was also held responsible for burgeoning foreign trade problems with Iraq and Iran.

Ekrem Pakdemirli turned a deaf ear to the claims of fake exports and the opposition parties' constant criticism on the matter. Debate was recently renewed also of certain of his practices while chief of the SPO Office of Incentive Implementation. He was blamed, as well, for the Izdas affair while he was in office.

Pakdemirli recently again gave the impression of being "a difficult person" when he got into an argument in the Assembly with Socialist Democratic Populist Party Deputy Cuneyt Canver. When Prime Minister Ozal was asked whether Pakdemirli would "return to his old job if he loses the election," he replied, "I do not think Pakdemirli will return to his old job," which was considered a sure sign that Pakdemirli would not be reappointed to the Treasury and foreign Trade Under Secretariat. After election results were announced, Prime Minister Ozal said, "I was sure we were going to lose Manisa District 1," and Pakdemirli's running for this district is being interpreted as a way of getting the former under secretary out of the administration.

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ECONOMIC TURKEY

AGREEMENT REACHED ON CHANGES IN TRADE WITH IRAN

Istanbul CUMHURIYET in Turkish 20 Aug 86 p 9

[Text] Ankara, ANATOLIA AGENCY--Turkish-Iranian trade, which up to now has been limited to certain products, has begun changing. Turkey, while opening the door to the inclusion of nonoil goods from Iran, has expressed its readiness to be involved in large infrastructural investments to be built in Iran.

The recent visit of Minister of State Tinaz Titiz to Iran, accompanied by a large group of businessmen, enabled solid steps to be taken toward changes envisaged for trade between the two countries.

As a result of talks held during the meeting, it was decided that Turkey will import skins and hides, various petrochemicals, polyester, buses, passenger automobiles (Renault-5) and motor vehicles such as tractors. As a first step, a commitment was made to buy $50 million work of skins from Iran.

Turkey, in turn, laid emphasis at the talks held in Teheran on joint investments between the two countries and on ensuring the participation of Turkish contracting firms in infrastructural projects in Iran. Agreement was reached for Turkish organizations to establish tractor and cement factories and to build two dams in Iran.

In accordance with the agreement reached, a Turkish delegation will soon go to Teheran in connection with establishing the cement factory and an Iranian delegation will come to Turkey for talks on dam construction.

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ECONOMIC TURKEY

GOVERNMENT LAUNCHES EFFORT TO CONTROL MONEY SUPPLY

Istanbul DUNYA in Turkish 29 Sep 86 pp 1,9

[Article by Bayram Basaran: "Government to Cut Banks' Resources"]

[Text] Unable to keep the emission volume sufficiently under control, the government will reportedly turn to a much stricter tight money policy in the next few days. Banking circles say that the IMF agrees and note that reduction of the reserves banks keep at the Central Bank is on the agenda to keep minting down. Top Central Bank officers confirm that new measures aimed at the banks will be taken to restrict the volume of money printed.

The sector that will be most affected by the tight money policy expected to be applied more strictly soon is reportedly the banking sector. Noting that domestic borrowing has not worked to keep the money volume under control, private sector and Central Bank circles list as follows the basic means by which the government is expected to crack down:

1. Reducing credits available to banks from Central Bank resources,
2. Restricting rediscount credits,
3. Increasing the ratio of banks' deposits that they must put in state securities,
4. Adopting new measures raising credit interest rates in order to restrict bank investments (thus reducing investments in the private sector),
5. Adopting new measures to reduce public investments,
6. Reducing advance payment rates in agricultural support purchases and extending the terms on remaining loans,
7. Restricting credit for the SEE's [State Economic Enterprises] which operate at a constant deficit and are now in financing trouble and raising prices on their products to generate new financing resources for the SEE's,
8. Reducing the bank notes printed.

Developments

The emission volume expanded by 647.6 billion liras in the first 9 months, failing to be checked despite all the government's efforts. Expansion in August of 1985 was 470.2 billion liras.

In the first 9 months of 1986, the emission volume increased by 50.4 percent. This figure for the same period a year ago was 59.2 percent. The emission volume on 27 December 1985 was 1,285.8 billion liras, a figure which rose to 1,933.4 billion liras as of 22 August 1986.

It is stressed that the government, trying to keep emission increases under control by means of domestic borrowing in particular, will not proceed with domestic borrowing at the rate desired because of the desire for high interest and short terms on domestic loans. Therefore, the mechanism of controlling emission increases by means of domestic borrowing has not worked, it is emphasized. The money obtained from the sale of domestic borrowing bonds issued by the government recently did not cover interest and principle payments on the ones issued earlier and has failed to have a reducing effect on emissions, according to experts.

Moreover, according to experts, SEE financing deficits and payments for support purchases of agricultural products which will be concentrated in the days ahead comprise other important reasons for the lack of success in the tight money policy the government has been trying to implement.

The government's support purchase plan for agricultural products will require a payment of 2 trillion liras by March 1987. However, it is considered highly likely that the government will spread this payment over a longer period and reduce advance payment rates, since the pressure of these payments on the emission is quite high compared to other areas.

Another area which is said to have had a significant effect on expansion of the emission volume is SEE financing deficits. While Treasury circles have confirmed that certain SEE's have launched large investments and were unable to meet the financing burden that came with them from their own resources, it is noted that these investments may be covered by a price hike of at least 10 percent on SEE products to prevent pressure on the emission.

Central Bank sources also confirmed that reduction of the credit rates which the Central Bank can allow banks to use is on the government agenda after the elections. In addition, rediscount credit usage rates from the Central Bank are expected to be reduced also. However, because the deposit reserve rate that banks have to keep at the Central Bank is rather high, no great change is expected in reserve rates, it is noted.

Meanwhile, the Turkish lira shortage experienced on the market despite the expanding emission volume comes at the top of the list of things most worrisome to the banking sector.

Banking circles point out that the strict tight money policy the government plans to implement after the elections will reduce the growth rate and stress that some banks are going to be hard pressed as to costs.

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ECONOMIC TURKEY

PRIVATE SECTOR ALARM OVER BUDGET DEFICIT REPORTED

Istanbul HURRIYET in Turkish 20 Aug 86 p 4

[Report by M. Hulki Cevizoglu: "The Gap in the Budget Is Growing"]

[Text] Ankara--HURRIYET--It has been discovered that the favorable development in investments, one of the basic elements of the economy, has become a burden on the middle classes. In assessing the economic policy of the Ozal government, the private sector has sounded the "alarm." According to a report prepared by the Union of Chambers of Commerce and Industry [UCCI], for the first 6 months of the year, "the budget deficit has grown by 184 percent," with the consolidated budget deficit rising to 186.3 billion liras from 65 billion liras during the corresponding period last year. The indicators that make the highly controversial 7.8 percent "rate of growth" announced by the State Statistical Institute [SSI] a "burden" for the middle classes are as follows: "the budget deficit, prices, the increase in the external trade deficit and in imports, the drop in remittances from Turkish workers abroad, tourism, and exports."

In its appraisal of the situation in the light of these developments, the TOB has pointed out that the government may be compelled to resort to "new sources of credit" in order to meet its growing foreign currency needs. The following is the balancesheet for the first 6 months of 1986, according to the TOB report.

--Output: Industrial output has continued to grow. A real increase of over 10 percent has been achieved in the private manufacturing industry sector.

--Housing: There are important increases in terms of square meters of housing and other construction in progress.

--Investments: Incentives are quite high. Results of investments in the public sector are also at an adequate level.

Unfavorable Developments:

--The consolidated budget: Revenues rose to 2,559.6 million liras in the first 5 months of the year. This amounts to an increase of 61.8 percent compared with the corresponding period last year. The expenditures in the

consolidated budget were 2,745.9 million liras during the same period. The deficit is 186.3 billion liras. The deficit was 65.0 million liras during the corresponding period last year.

--Exports: These have increased by 1.7 percent in the first 5 months of this year, compared with the corresponding period last year, reaching $3,087.5 million. This rate of increase is considerably below the level envisaged in the 1986 program.

--Imports: These have increased by 9.5 percent to $4,618.6 million. This is a higher rate than the 6.6 percent envisaged in the program.

--The ratio of exports to imports: This has fallen to 66.8 percent this year from 72 percent last year. The deficit in external trade has thus risen to $1,531.1 million.

--Workers' foreign exchange remittances: These have dropped by 24.1 percent to $408 million in the first 4 months of the year.

--Tourism revenues: These revenues, one of the most favorable developments of 1985, have dropped by 22.1 percent in the first 3 months of the year.

--Prices: These have gone up by 28.4 percent, according to the treasury, or 30.9 percent, according to the State Statistical Institute, in the first 6 months of the year.

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ECONOMIC TURKEY

FINANCIAL LEASING PROBLEMS, SOLUTIONS DISCUSSED

Istanbul DUNYA in Turkish 29 Sep 86 p 7

[Interview with Construction Credit Financial Leasing Company manager Izzet Pekarun by Emine Munyar]

[Text] Izzet Pekarun, manager of Construction Credit Financial Leasing Compnay, which is preparing to open for business in the financial leasing field, asserts that the basic problem in practicing financial leasing is "creating resources," but he has a solution to offer. Izzet Pekarun said that it may be possible to create Central Bank rediscount sources on an incentive basis, that is, under conditions appropriate to financial leasing in selected sectors. Noting that it is necessary to bring in some low cost resources for financial leasing to find a climate for development in Turkey, Pekarun said they were planning to take their proposals to the ministries concerned in a few days.

The Construction Credit Financial Leasing Company applied to the Treasury and Foreign Trade Under Secretariat earlier for a permit to engage in financial leasing and is now forming its staff and making organizational preparations. Manager Izzet Pekarun consented to be interviewed by DUNYA on the firm's preparations and financial leasing model.

[Question] Mr Pekarun, you are preparing to go into "financial leasing," a new financing method for Turkey. As the manager of an organization that will be applying financial leasing techniques, would you assess this technique from the standpoint of the investor?

[Answer] Financial leasing is an alternative means of financing for investments. Today, when a person decides to invest, he may take the classic route of investment of using his net assets. Or, he may use the popular method of enhancing his net assets with medium-term credit. There is another method, now out of favor, of short-term borrowing. Taking this approach, one may ask, "Why should the investor choose financial leasing?"

Financial leasing has aspects that vary according to the package or the project. Financial leasing may not be preferable for some projects. If we compare medium-term credit and financial leasing at this point, we may see certain advantages in costs, in projects and incentives and in other tax regulations. The decisive element here is time, the time within that project or firm's production cycle at which cash is produced and the time at which

this cash is allocated to obligations. Interest payments on medium-term loans usually have a set repayment schedule which, in many cases, may conflict with the firm's cash generation period. That firm will then have to put a strain on its resources or make cuts somewhere to meet the loan interest payments. Therefore, an additional cost is created. Financial leasing has an important advantage in that lease payments conform to the nature of the form of production, that is, to the firm's cash flow. This, in my opinion, is the point on which most attention should be focused in the implementation of financial leasing. It is important to the investor to have a clear picture and keep account of the cost of the resources he allocates, to take into account the times at which the firm generates cash in this cost accounting and, acting on these data, to take advantage of financial leasing as an alternative. Then he will see that financial leasing holds the advantage in most investments.

[Question] Is financial leasing simply an investment financing method? For example, a firm can sell its own property and then create new fund resources by using this method to rent it back, can't it?

[Answer] Yes. Actually, that is one of the most popular methods of financial leasing. There are obvious advantages in the leasing practice that we call "sale and lease-back": A firm may have a property on which at some point it cannot meet the mortgage, yet it is a very valuable property, or valuable to its assets. It can sell this property to the financial leasing company and lease it back from the financial leasing company. The firm, in this instance, will have created extra funds by selling the property. Moreover, although it leases the property back, it will have dropped an expenditure entry from its books. This is a method that is widely used in the West, especially in the United States and England. In time, it will be showing development here, too.

The type of financial leasing on the agenda in Turkey, however, is the cross-border type of financial leasing. This type of leasing gains prominence in particular when infrastructure investments are picking up speed or are expected to. It seems possible here that a manufacturer in Turkey could do his own financial leasing or open a financial leasing company and go into business in this area. We have heard that certain organizations are making preparations along these lines.

[Question] Some other companies, like Construction Credit, are now preparing to go into business on the financial leasing model. Where, in your opinion, are the problematic points in the transition to a financial leasing era?

[Answer] The first problem that I see is to get financial leasing understood, or perceived and adopted, as a means of financing, as a financing method. Of course, this is a problem of time. The second important problem is the problem of resources in financial leasing; that is, the generation of cheap or appropriate resources, to reflect leasing costs in such a way as not to be a burden on the investor. This is where "lease paper" on the capital market comes in. In fact, if development banks issue bonds, financial leasing companies ought to be able to issue "leasing bonds." Of course, the element of

guarantees is of paramount importance in such a practice. The capital market is something that I think ought to be at the top of the list today. From that standpoint, just as a financial leasing company's acting as its own guarantee may be on the agenda, it may be possible to go one step further and hope for a bank guarantee or a similar umbrella guarantee. I think that to create a climate to provide resources it is necessary for financial leasing companies to be able to issue "leasing bonds" on the capital market.

[Question] The basic problem in applying financial leasing is tied up in "generating resources." Are there other ways that financial leasing companies can do this other than the "lease paper" method?

[Answer] My approach to it is that Central Bank rediscount resources are being used today for medium-term credits for incentive areas. A company renting under a leasing procedure or a financial leasing company could have recourse to these resources. It may be possible to create rediscount resources as incentives, that is, with conditions appropriate to financial leasing in selected sectors. If we want to develop financial leasing as a method in Turkey and to develop certain key sectors in Turkey, certain low-cost resources could be created (whether interest rebates or fund premiums in tourism projects). We will soon propose this in clearer form to the ministries concerned. In particular, I think the use of rediscount resources or similar funds would be good for financial leasing.

[Question] I think there is also a VAT problem.

[Answer] If financial leasing is seen as a method that requires incentives, it would be good to reduce the VAT rate a little. The VAT is 5 percent at the moment. There are also some points of uncertainty on how the VAT would be applied. However, these are the kinds of problems that can be worked out in time.

[Question] You are proceeding with preparations to open the Construction Credit Financial Leasing Company. How far along are you?

[Answer] As you know, we have applied for a permit to the Treasury and Foreign Trade Under Secretariat. We are also going forward with certain preparations internally. What we are doing mainly is staffing and setting up our organization since we will open for business as soon as the company gains corporation status. We are also making preparations for cooperation with a foreign bank with expertise in this area. We have the proposals of several foreign banks on our desk. Cooperation with a foreign expert bank is useful from the standpoint of employee training, correct use of the leasing company organization and setting up an accounting system and the relationship with the bank.

Our organization efforts are in progress. First of all, the first department arising out of a new type of banking, that is, customer-oriented banking, is the marketing department. In addition to the marketing department, we are forming different units such as a financing and project department to evaluate projects and an accounting department. I think we will be finished with staffing next month. If all goes quickly after getting our permit, we will be opening for business soon. We are thinking of giving priority in our business to the public incentive sectors.

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ECONOMIC TURKEY

PARTNERSHIP FUND FOR PUBLIC WORKS CONSTRUCTION DISCUSSED

Istanbul DUNYA in Turkish 20 Aug 86 p 9

[Text] Ankara, (ANKA)--The income secured through bonds issued against revenues from the Bosporous Bridge, the Keban Dam and the Oymapinar Dam has become an important source of financing for new dams, turnpikes and drinking water systems, enabling the implementation of projects to move ahead.

By 13 August, 141.643 billion liras were available for 11 dams, 37.386 billion liras for 4 turnpikes including the Second (Fatih) bridge over the Bosporous, and 16.440 billion liras for 2 drinking water projects. In addition, 54.766 million liras worth of resources were transferred to various projects in areas of development priority.

Early completion and commissioning, particularly in the case of the dams, will make an important contribution to the economy. Based on current electricity prices, for each day that it is in operation ahead of schedule, the Ataturk Dam will be contributing 731 billion liras to the economy, and the daily contribution of the Karakaya Dam and the Altinkaya Dam will be 605 billion liras and 134 billion liras, respectively [figures as published].

The daily contribution due to the early commissioning of the 11 dams backed by the Public Partnership Fund will amount to 1.680 billion liras [figures as published].

In the process of transferring resources to the dam projects, early completion pledges were obtained from the firms in charge of construction. Such pledges range from 5 months and 3 years for various dams.

Projects for Which Support Has Been Obtained from the Public Partnership Fund and the Amount of Financing Transferred to Each Project (in Million Turkish Liras)

Dams: [Total]	141.643	Turnpikes: [Total]	37.386
Karakaya	64.394	Kinali-Sakarya (including the Fatih Bridge)	26.252
Ataturk	33.000	Kapikule Edirne	6.506
Altinkaya	12.400	Tarsus-Pozanti	3.102
Catalan	8.984	Europe Turnpike	1.526
Derbent	4.500	Drinking Water Projects: [Total]	16.440
Kilickaya	3.975	Ankara	13.331
Karacaoren	3.466	Istanbul	3.109
Menzelet	3.383	Development Priority Regions: [Total]	54.766
Adiguzel	3.068		
Gezende	2.977		
Kapulukaya	1.496	Grand Total	250.235

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ECONOMIC TURKEY

REPLACEMENT SOUGHT FOR TEXTILES AS ECONOMIC 'LOCOMOTIVE'

Istanbul TERCUMAN in Turkish 20 Aug 86 p 6

[Text] Ankara, (A.A.)--A search has been launched to find a new "locomotive" sector for the economy to replace the textile sector, in which development is being hampered by "quotas" and similar restrictions by developed importing countries.

It is understood that ministries and establishments responsible for the economy are studying the possibility of encouraging the electronics industry. The development of the textile sector, which has occupied the most important position in Turkey's exports in the past 3 years with exports worth $2 billion per year, is restricted by the new international textile trade agreement (MFA) and through bilateral textile trade agreements with developed importing countries.

Officials have said that the distribution of quota allocations among Turkish firms nationwide was not as successful as one would have wished. This has also contributed to the difficulty in achieving the targets set for increasing exports. The officials have stated that to achieve the targeted levels for exports of textile products in 1986-1987, production should be shifted to "quota-free" items: "The textile sector should get ready for this. Furthermore, finding new markets is also an important consideration for the development of the sector."

The view that current studies for bolstering other sectors besides textile manufacturing should be concentrated on the electronics industry has begun to gain strength. The first substantial studies by the State Planning Organization for the development of the electronics industry were carried out during the period in office of Under Secretary Yildirim Akturk.

The ministries of state responsible for the economy and the office of the under secretary of the treasury and foreign trade are also looking into the electronics industry. Officials of the latter say that the development of the electronics industry will change the face of the economy. Studies are also underway at the Ministry of Industry and Technology with the aim of developing the electronics industry. A five-volume "Electronics Industry Report," drawn up by a commission, has been submitted to Cahit Aral, the minister of industry and technology. The studies at the ministry will be completed in the next few days.

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ECONOMIC TURKEY

NEW INCENTIVES FOR TEXTILE-RELATED, OTHER EXPORTS

Istanbul DUNYA in Turkish 29 Sep 86 p 1

[Text] Ankara (DUNYA) - Among the measures taken to combat the failure of exports to reach the expected level in 1986 and steady growth of the foreign trade deficit when imports began a more rapid rising trend, new incentives were introduced for the export of cotton, cotton yarn and flour, traditional export products.

Preparing to raise fund deductions on the importation of certain items, primarily luxury consumer goods, with the intent of restricting imports, the government also decided, in new measures to aid exports, to lift fund deductions from cotton exports and provide fund support for the export of certain goods such as cotton, cotton yarn, malt, wheat flour and aluminum foil.

Although firms which export those products used to pay the fund deduction, this obligation was lifted with the new measures. Moreover, support is provided from the support and price stabilization fund for the exportation of these goods.

According to a communique from the Money and Credit Council, the deduction of U.S. $1 per ton on the export of Aegean and Cukurova type cotton for the support and price stabilization fund was lifted. The support and price stabilization fund deduction of U.S $.01 per kilogram on exports of cotton yarn was likewise lifted. After the fund deduction is lifted from the export of cotton, a premium payment will be made for the export of this product.

On the export of standard 3, lightly spotted and higher quality cotton, a support payment of 100 liras per kilogram will be made for Aegean and Antalya type cotton and of 170 liras per kilogram for Cukurova type cotton.

While a subsidy of 10,000 liras per ton will be paid for the export of wheat flour, the subsidy for malt exports will be 12,000 liras per ton. The Money and Credit Council did not give a direct subsidy for cotton yarn exports in the communique, but decided on 100 liras per kilogram support for aluminum foil exports.

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DETAILS GIVEN OF NEW DAMS PLANNED FOR SEYHAN, CEYHAN RIVERS

Istanbul HURRIYET in Turkish 20 Aug 86 p 4

[Text] Adana, ANATOLIA AGENCY--Ten new dams are to be built on the Seyhan and Ceyhan Rivers, thereby maintaining Cukurova's importance even after the completion of the Southeastern Anatolia Project [SAP].

According to officials, when these new projects are completed, there will be 14 dams in all on the Ceyhan and Seyhan Rivers. The total capacity of the dams will rise to 2 billion 88 megawatts [figure as published] and their annual power output will be 7.8 billion kWh.

The Seyhan Dam and Hydroelectric Station went into service in 1956. The construction of the Catalan Dam and Hydroelectric Station will be completed in 1989. The construction of the Ydeigoze, Kavsak, Kopru, and Menge dams on the Seyhan River will begin in 1987 and in following years. The construction of the Arslantas Dam and Hydroelectric Station on the Ceyhan River was completed in 1984. The construction of the Menzelet and Sir dams continues. The foundations of the Duzkesme, Kandil, Kandil 1, and Kandil 2 dams will be laid in the years ahead of us.

The following are details of the dams under construction as well as those to be built in the future on the Seyhan River:

Yedigoze Dam and Hydroelectric Station: a proposal has been submitted for its inclusion in the 1987 investment program. Meant for power generation, the dam will have a 300 mW capacity and the station will generate 969 million kWh of power a year.

Kavsak Reservoir and Hydroelectric Station: feasibility studies are underway. The dam will have a 120 mW capacity and the station will generate 564 million kWh of power a year.

Kopru Dam and Hydroelectric Station: in the feasibility study stage. Meant for power generation, it has a capacity of 189 mW, and will generate 481 million kWh of power a year.

Menge Dam and Hydroelectric Station: feasibility studies are underway. Meant for power generation, it has a capacity of 33 mW and will generate 113 million kWh of power a year.

Goktas Dam and Hydroelectric Station: Feasibility and final project studies are underway. Meant for power generation, it has a capacity of 264 mW and will generate 1,187 kWh of power a year.

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MILITARY BELGIUM

STRENGTH, EQUIPMENT DEPLOYMENT OF ARMED FORCES SURVEYED

Vienna OESTERREICHISCHE MILITAERISCHE ZEITSCHRIFT in German Jul 86 pp 368-371

[Article by Heinz Magenheimer: "Belgium: Armed Forces and Arms"]

[Text] Belgium is important not only because of its participation in the NATO armed forces in the Army Group North (NORTHAG), but also because of its geostrategic location in the rear area of NATO, with all the concomitant demands and stresses caused by this fact. The two most important headquarters of the Western Alliance in Europe, the political-military one in Brussels-Evere and the military one in Casteau near Mons, are located on Belgian territory.

Added to this are the support functions designed for supplying the U.S. and British troops in the FRG. Within the framework of the POMCUS procedures, i.e., the preemptive storage of weapons and equipment for U.S. reinforcements which in case of emergency are to be moved to Western Europe, such storage depots have been established in Belgium also.

Belgium's armed forces, with a personnel strength of just under 92,000 (including about 3,500 women), represent less than 1 percent of the 9.9 million inhabitants. Military service is obligatory; draftees serving in Belgium do so for a period of 10 months, those stationed in the FRG only 8 months. There are all-Flemish, all-Walloon, and mixed language units, to which the draftees are assigned according to their mother tongue. Officers must be fluent in both of the country's languages. Since February 1982 women may serve in limited combat functions.

A government decree provides for extending obligatory military service within Belgium to 12 months, for those serving in the FRG to 10 months, starting in 1987.

While the king is nominally the commander-in-chief of the armed forces, the high command lies with an inter-ministerial defense committee which has been in existence since 1950 and which consists of the prime minister, the ministers of defense, interior and foreign affairs and other appropriate persons. Day-to-day operations at the civil service level are performed by the Commission for National Defense Problems which reports directly to the prime minister.

The top military advisor to the minister of defense is the chief of the general staff, to whom the chiefs of staff of the military services and the surgeon general of the medical services report in turn. In addition, the minister of defense can indirectly call upon the services of the gendarmerie. The chiefs of staff of the military services and the surgeon general are directly responsible for the operational readiness of their subordinate forces; this form of organization is similar to that of the Bundeswehr.

As can be seen in the "Defense White Paper 1985," the intention of establishing a professional armed forces after about 1973 was faced with great difficulties, since instead of the needed 36,000 career military and extended service soldiers there were never more than 30,000 available. In addition, the relatively short tour of active duty makes a draftee available for an average of only 6 months; thus two draftees per year must be used for a continuous performance of a single function. (Footnote 1) (Cf. Belgium: "Defense White Paper 1985," in: OESTERREICHISCHE MILITAERISCHE ZEITSCHRIFT 1/1986, p 84)

Fund shortages have led to a variety of economy measures, especially since the end of the 1970's. For example, one of the two divisions which constitute the I Belgian Corps in the FRG, has been moved back to Belgium.

Efforts are being made to increase the number of draftees by at least 4,500 and in addition, to create opportunities for extending military service by 3 to 6 months. The guiding intention is to reduce personnel expenditures for the long term and instead to increase funding for training. Manpower problems are illustrated also by the fact that the desired strength of 50,000 in the I Corps has during the last few years been filled to only about 50 to 60 percent. Economy measures are now being taken in several areas. (Footnote 2) (Cf. WEHRTECHNIK 5, 1986, p 96). In addition, consideration is being given to reducing leave time.

In early April the defense minister decreed several measures designed to improve military management and morale. This includes, among other things: better information for the basic trainees, greater efforts to comply with the wishes of the servicemen, such as their choice of assignment location; also, improved citizenship training, attractive off-duty activities, additional training time, help in reintegration to the labor market and a raise in salary. A general effort is being made to assign more draftees to functions which had in the past been reserved for extended duty soldiers only.

The field and territorial army, including their central services, have a personnel strength of about 67,000, most of whom serve in the field army. The chief of staff of the army heads the units of the field army as well as the "armed forces of the interior," which are subdivided into three major command areas: the rear combat area command, the logistics division; the mobilization and training division.

The parachute infantry regiment has a special position in this, since in peacetime it is part of the "armed forces of the interior," while in case of a national emergency it comes under the command of the chief of the general staff of the armed forces and assumes a variety of duties.

The field army consists of the I Belgian Corps (headquarters in Cologne-Weiden), to which, apart from the corps troops, the 1st Division (Verviers) and the 16th Division (Neiheim-Huesten east of Dortmund) are subordinate. With their organization and equipment, both major units are essentially similar to armored infantry divisions.

The 1st Division includes the 1st Mechanized Infantry Brigade (Leopoldsburg), the 7th Mechanized Infantry Brigade (Marche-en-Famenne) and the 12th Motorized Infantry Brigade (Liege). The 16th Division includes the 4th Mechanized Brigade (Soest), the 17th Armored Brigade (Siegen) and the 10th Mechanized Brigade (Zonhoven, north of Hasselt). Both the 10th and the 12th Brigades are reserve units and would need to be mobilized in case of an emergency.

Moving the 1st Division back on Belgian soil has left only one division with two brigades and the corps troops in the FRG, which would create considerable difficulties in case of a deployment. One organizational peculiarity consists of the fact that the division commands (except for their headquarters and communications units) have no combat support or logistics troops allocated to them. The corps command allocates those to the divisions according to need.

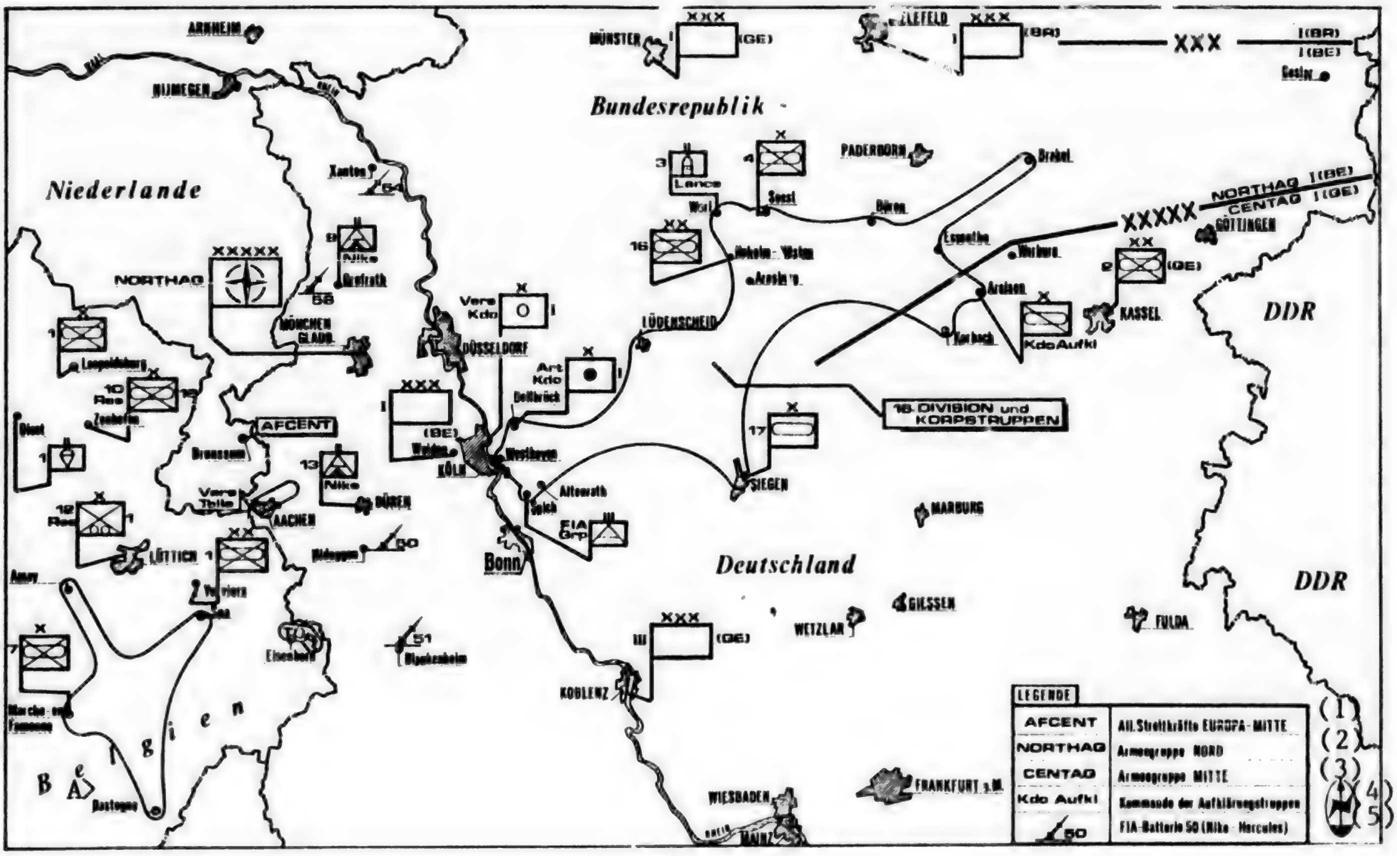
The strength of I Corps is about 30,500, with additional reductions announced. In case of a national emergency, it would come under the command of the NORTHAG Commander (Moenchengladbach), with a defense mission along a front sector with about a 45 km width between Herzberg am Harz and Bad Salzgitter, adjoining the British I Corps on the left and the German III Corps on the right. Other sources describe a somewhat wider corps sector.

The mechanized infantry brigade contains one headquarters company, one engineer company, one tank destroyer battalion (one tank destroyer gun company, one Milan company) or one tank destroyer company, two armored infantry battalions, one tank battalion, one armored artillery battalion (18 M-109 armored howitzers), and the support units (resupply and transport company, maintenance and medical companies). (Footnote 3) (Organization shown in: Isby/Kamps Jr., Armies of the NATO Central Front, London 1985, p 68 ff)

The armored infantry battalions have different types of organization charts, with the incipient introduction of the VBCI armored personnel carrier, which is the equivalent of the Netherlands' YPR-765, gradually leading to re-equipping of the infantry battalions in the active brigades and retiring the AMX-VCI. Also, the remaining M-75's are being replaced with M-113 A 1's. In the future, the battalions are to contain one headquarters and supply company and three armored infantry companies, each consisting of four platoons (four armored personnel carriers).

The only armored brigade has, in addition to the elements of the armored infantry brigade, one tank battalion. The tank battalions have 40 Leopard 1 combat tanks and are organized into three tank companies with 13 combat tanks each. The tank brigade thus has 80 combat tanks, a small inventory compared with that of other NATO tank brigades.

[Map Legend, p 369] Disposition of the Belgian I Corps Within the "Army Group North"



Key:

1. AFCENT: Allied Forces Central Europe
2. NORTHAG: Army Group North
3. CENTAG: Central Army Group
4. Kdo Aufkl: Reconnaissance Troop Command
5. Antiaircraft Battery 50 (Nike-Hercules)

The tank destroyer battalions are being reorganized or dissolved in such a way that there remains only one tank destroyer company with Milan antitank missiles per brigade, while the gun tank destroyers are transferred to the infantry battalions. Every infantry battalion thus has six tank destroyers which, together with the armored reconnaissance platoon and the grenade launcher platoon, form a heavy weapons company.

In the artillery, it is proposed that the battalions will be reorganized to have, instead of 18 guns each in three M-109 batteries, two batteries with eight guns each. The 2nd Armored Artillery Battalion (Luedenscheid) is to be

moved back to Helchteren (near Leopoldsburg). The two corps artillery battalions have three batteries with eight M-109 A2 guns each.

The relatively numerous corps troops consist mainly of the following:

--two communications battalions,
--one artillery headquarters,
--one reconnaissance troops headquarters,
--three engineer battalions,
--three army aviation squadrons,
--one long-range reconnaissance company, six support battalions and other logistical units.

The artillery command contains army artillery as well as antiaircraft weapons. Apart from a transport battalion for special munitions it has the 3rd "Lance" Missile Battalion (in Werl), the 20th Field Artillery Battalion with M-115 203mm howitzers (mobilization unit in Elsenborn), two armored artillery battalions with M-109 155mm guns; also two antiaircraft gun battalions with two batteries each, each having 12 Gepard antiaircraft armored vehicles and two antiaircraft missile battalions with three Hawk batteries each.

The four antiaircraft battalions constitute an antiaircraft group in Spich near Cologne. Forward antiaircraft missile units are stationed in Brakel, Essentho and Korbach. The two Gepard battalions are in the future to be equipped with three antiaircraft batteries, each having 9 antiaircraft tanks.

Three armor reconnaissance battalions and one tank battalion (Spich) constitute the reconnaissance troop command in Arolsen; these troops are intended, as in other NATO corps sectors, to conduct a delaying action between the border and the FEBA. One armored reconnaissance battalion (Luedenscheid) is being reconstituted as a tank battalion.

The above-mentioned three corps engineer battalions (one of them being a bridge construction engineer battalion) are located in Dellbrueck and Westhoven, east of Cologne. The corps logistics headquarters is located in Cologne-Ossendorf, so that in the Cologne-Spich-Dellbrueck area there is a concentration of corps troops and other units.

Army aviation has four squadrons, three of which belong to the I Corps; among other equipment, they have 15 Alouette-II helicopters each, with procurement of helicopter gunships for two squadrons being planned.

The disposition of the 16th Armored Infantry Division and the corps troops extends within the FRG between Aachen and Brakel over about 240 km, which becomes a problem as to concentration and movement in near-border areas. Considering the forces of the 1st Division in eastern Belgium, the time factor for moving into the defense zones becomes extraordinarily important.

As to equipment, the question of a successor model to the Leopard 1 will arise within the foreseeable future; until now, a discussion of this matter has been avoided in view of the funding situation. The FRG has offered replacement with

Leopard 2's. The main items in arms procurement involve more than 500 VBCI (I.e., YPR-765) armored personnel carriers and more than 270 M-113 A2 personnel transport vehicles; also, 150 French Mistral antiaircraft launchers. In the artillery, reequipping the active brigades with M-109 A2's, including two corps artillery battalions, appears to have been completed.

Territorial defense: The headquarters in Tervuren, east of Brussels, commands nine infantry regiments requiring mobilization (one per province), which are intended for the protection of important facilities and support for the active forces. Two additional territorial regiments serve as a central reserve under the direct command of the commander of the "armed forces of the interior." Additionally, the territorial defense has a training division, a mobilization division and a logistics division, as well as various combat support groups, such as engineer battalions. In peacetime the training and mobilization divisions exist separately, while in time of war the two commands are merged and made subordinate to the Chief of the General Staff of the Armed Forces.

An important unit, which also constitutes the reserve of the operational command for the I Corps, is the Parachute and Commando Regiment (headquarters in Everberg, west of Louvain). Consisting of two parachute and two commando battalions, one of which is a mobilization unit, one artillery battery, one reconnaissance and one tank destroyer company, its strength is about 2,800. It includes career and extended-duty personnel as well as longer-service draftees, whose term of active duty is 15 months. (Footnote 4) (SCHWEIZER SOLDAT, 1, 1986 p 13)

Parts of the regiment, specifically one battalion and one artillery battery, can be used as part of the NATO ACE Mobile Force. Transport is provided by Air Force C-130 Hercules aircraft. Training centers are being operated for the paratroops as well as for the commando units (in Schaffen near Diest and Marche-les-Dames near Namur, respectively).

The Air Force has a strength of about 20,000 and has a combat aircraft inventory of about 180. Its mission within NATO consists primarily of participating in the battle for air superiority, either in offensive or air defense operations; battlefield interdiction, and direct support to ground force units. For the national mission, the emphasis is on air defense and aerial transport of ground force elements.

The Air Force is divided into three major command areas:

--tactical air command,
--training command,
--logistics command.

The headquarters of the Tactical Air Command (in Evere near Brussels) controls the following flying organizations:

--1st Fighter Wing (in Beauvechain, south of Louvain): two all-weather F-16A squadrons;
--2nd Fighter-Bomber Wing (in Florennes, southeast of Charleroi): two Mirage-5BA/BR squadrons (one reconnaissance squadron);

--3rd Fighter-Bomber Wing (Bierset, west of Liege): two Mirage-5BA squadrons;
--10th Fighter-Bomber Squadron (Kleine Brogel near Leopoldsburg): two F-16A squadrons;
--15th Transport Wing (Melsbroek northeast of Brussels): two squadrons, including some C-130H;
--40th Helicopter Squadron (Koksijde near Nieuwpoort).

For operational purposes, the tactical air forces are under the command of the 2 ATAF (Moenchengladbach). Every squadron has 18 aircraft. One-half of the aircraft are presently F-16 fighters/fighter-bombers and Mirage 5-B; in 1988, the remaining Mirage-5B's are to be replaced with F-16's. Another 44 F-16's will be added to the present 109. The procurement of F-16's, which started in 1979, has seen considerable delays due to budgetary problems. There is also an option to procure the Mirage-2000, more recently also for the "Rafale," currently in the testing phase, as a fighter-bomber.

The 10th Fighter-Bomber Wing is designed for nuclear operations. One weakness in the air defense is said to concern insufficient protection for the airbases, which is provided only by 20mm antiaircraft weapons.

Of ground-based air defense weapons, only two antiaircraft missile groups remain in service (the 9th and 13th, with headquarters in Grefrath and in Dueren), each having two Nike-Hercules antiaircraft missile batteries, with a total of 36 launchers. The batteries are located in Xanten, Grefrath, Blankenheim and Nideggen near the German-Belgian border. Fiscal economy measures between 1982 and 1985 caused a reduction by four of the antiaircraft batteries, with personnel thus becoming supernumerary transferring to the remaining four batteries. In 1982 the decision was made also to withdraw from possible participation in the PATRIOT re-equipment program, which met with disapproval by the other NATO partners.

Additional support is provided by one training command and one logistics command (both in Evere). Most of the training aircraft are Alpha-Jets. The negative impact of the budgetary situation is illustrated by failure to install modern electronic instrumentation for electronic countering of enemy antiaircraft weapons for the F-16 fighter-bombers in the fall of 1984.

As of 1 January 1985, Air Force strength was as follows: 1,649 officers, 8,255 noncommissioned officers, 6,112 extended-service personnel and 4,287 draftees, a total of 20,303.

The Navy, with a manpower of about 4,500, is based in the harbors of Zeebrugge, Oostend and Antwerp-Kallo and consists mainly of four frigates, 23 minesweepers and two supply and repair ships. Its main mission consists of anti-submarine warfare, escort duty and mine detection in the Channel and the North Sea. In peacetime the Belgian Navy forms a part of STANAVFORCHAN and of STANAVFORLANT.

Main elements under the control of the Chief of Naval Operations in Brussels are the Operational Naval Command in Zeebrugge, the Logistics Command in Oostend and the Training Command in Bruges. Added to this is the Belgium-Netherlands School for Minewarfare in Oostend. A joint shipbuilding program with France and The Netherlands provides for placing 10 Flower Class minesweepers in service by 1991.

MILITARY BELGIUM

RETIRING CORPS COMMANDER BLASTS COMMUNICATIONS DEFICIENCIES

Brussels LA LIBRE BELGIQUE in French 23/24 Aug 86 pp 1, 2

[Article by Roger Rosart: "Mute...but also Deaf and Blind"]

[Text] "What threatens the Belgian Army in the event of a conflict is the lack of electronic capabilities" states General De Boodt.

In spite of its 250,000 active duty personnel, hundreds of armored vehicles, artillery and rockets, the Belgian Army would not only become irreparably mute, but also deaf and blind in a war. Who is making this statement to us? It is General J. De Boodt, who was allowed to retire on last 30 June after having commanded our battle corps.

Faced with the resources deployed by the Red Army, Belgian communications, according to the general, would experience the effect of enemy electronic jamming, that commanders at every echelon would be kept in ignorance of what was happening and would, therefore, be unable to issue appropriate orders and to forward them by radio.

Only the Belgians...

Not only the Soviets but every NATO country is doing its utmost or has done its utmost to be equipped with electronic systems to protect the intelligibility of its radiotelephone communications and to disrupt the enemy's communications. From the Baltic to the Alps, the Belgians are the only ones without the necessary equipment. In the event of war, would not the absence of such resources encourage the Red Army to deploy its forces in the Belgian sector on a 50 kilometer front between a British and a German corps? "It is a critical question" says General De Boodt. And what is more, three-fourths of the conferences held from time to time by the eight army corps commanders deployed in central Europe (sometimes in the presence of General Rogers, supreme commander of allied forces in Europe) are devoted, very rightly, to electronic warfare, which had been tested for the first time during the Yom Kippur War in 1973.

Reasonable Cost

Bear in mind--two Egyptian army corps had crossed the Suez Canal and were deploying in the Sinai. The Israeli forces succeeded in slipping behind the enemy's troops and crossed the Bitter Lake. Egyptian field units were very

much aware of the Israeli movement but were unable to alert their commanders because radio communications, jammed by the Israelis, could not be heard and were, therefore unintelligible. Then during the "Peace in Galilee" operation in 1982, the Israelis electronically blinded the Syrian anti-aircraft defense system, to such an extent, that the Syrians were totally paralyzed.

Since then, all Western armed forces, particularly our American, British, French, German, and Dutch allies, have been equipped with the appropriate electronic capabilities. All, except the Belgians. Now it would probably cost no more than Fr2 billion.

General De Boodt, however, also gives us his opinion of the present state of the Belgian Army, which leads to a lengthy interview that is interesting from several points of view.

Billions of francs that will be of no benefit to Belgium's defense. General De Boodt proves critical of the manner in which the army's budget is being handled.

After spending 50 years in the military, General De Boodt leaves the army but not his candor. Why did this young Fleming, born on 12 April 1925 in St. Trond, choose, at the age of 11 1/2, the military profession by registering in September 1936 in the cadet school? His father had been a volunteer in the 1914-18 war and now new threats are taking shape. Too young, in May 1940, to join the army, Jozef De Boodt becomes active in the AS (Secret Army). Then, after his group is decimated by arrests, he joins the Front for Independence (FI). After the Liberation of Belgium, in September 1944, he is assigned to an American tank unit and is promoted to gunner's mate. The same month, he tramps over German territory lying before Aix-la-Chapelle. Then after joining the new Belgian army, he is assigned to a transport company in England. Fifty years later, this former volunteer goes into retirement as a lieutenant general commanding the First (B) [Armored] Corps. The minister of national defense, however, has already assigned him, on an unpaid basis, to take over the general commissariat in the Royal Museum of the Army.

What must be his opinion of today's Belgian Army, especially its ground forces of which the First Armored Corps is the main large unit? Is the army operational, or is it, as sometimes said, the "soft underbelly" of NATO? In other words, are our military personnel, reserve units included, properly equipped, armed, led, trained, and motivated?

Equipment

In the general's opinion, equipment overall is satisfactory. The "poncho", which protects the wearer from the rain, is being worn in the units; however, the Americans, Germans, French, and Dutch are better equipped. Their sleeping bag is so made that it can be worn as a combat uniform. It follows from this that the Belgians do not examine adequately the European market. And finally, a regrettable point, at international meetings in particular, our military personnel no longer have a dress uniform. It has been done away with for economical reasons.

Jeeps

Jeeps, according to General De Boodt, are an example of bad supply and payment policy. It took 3 years to settle the matter. After completing tests, the army had chosen the Mercedes as being "10 times better" than the Itlis. In the end, the army bought the latter by citing the 300 or even 600 percent in payments. What was the effect it had? Mercedes canceled orders, amounting to between Fr1.5 billion to Fr2 billion, usually given to Belgium. The Canadians (Itlis) resubmitted to Van Hoove an order for Fr800 million. I personally verify that on the plea of economical payments, we ended up by paying more and getting cheated. The taxpayer believes that national defense receives full benefit from its budget of Fr108 billion. It is not so! By reason of the economical aspects, mishandling caused defense to lose tens of millions.

VBCI [Armored Infantry Fighting Vehicle]

Around 1978, General De Boodt continues, General Amerijckx (then chief of staff of the ground forces) announced to me that my AMXs (20 year old troop carriers) will be replaced within 6 months by American M113s at a cost of Fr13.8 billion. In the end, the politicians decided that we would build them in Belgium. By 1982 the contract was already costing Fr40 billion. I believe the cost has risen to Fr50 billion, and we shall have to wait eight years (from 1980 to 1988!) before all units have been equipped with new VBCIs. All things considered and because we did not have the money, we shall be short 150 vehicles. Put another way, in the event of a war, our soldiers, particularly our militiamen, will be less protected than the others. In another connection, by buying directly in the United States, we found enough money to equip our reserve brigades with M113s, otherwise, they would have had to put up, for a long time, with obsolete AMXs.

But let us point out, did the government have sufficient funds available to buy, at one time in the United States, more than 1000 armored vehicles, and from that time, would not the rise of the dollar have caused an increase in prices? Lastly, did not we, in Belgium, order M113s according to specifications in keeping with the requirements of the various units (anti-tank, sappers, etc.) and would not the American prices have risen because of these changes? To which General De Boodt replies sharply that for 1 or 1.5 billion francs, Belgian manufacturers would have taken care of the required adaptations.

Combat Helicopters

General De Boodt admits that the personal weapon, with the arrival of the FNC carbine and the "minimi"[as published], is getting better, that artillery has been strengthened (by replacing the 105 by the 155), but recognizes that we are still short of anti-tank helicopters. Is this because of a lack of credit, we ask ourselves, or because the chief of staff of ground forces, General J. Segers, wanted equipment that could fulfill a dual role: anti-tank operations as well as transport? According to my information, General De Boodt explains, it is for the second reason that we failed to purchase the absolutely necessary 48 combat helicopters.

Anti-Aircraft Defense System

In the whole gamut of anti-aircraft weapons, is there also a shortage of portable weapons similar to the Soviet SAM 7 or the American STRINGER? General De Boodt acknowledges it but believes that he knows Mr. Vreven, when he was defense minister, was more interested in a French system. It is correct that this type of weapon is needed to attack helicopters and low flying aircraft. It would probably be necessary to have one to a squad. Would it, however, be better to concentrate these weapons, or to scatter them?

The Plan for the Reorganization of the Ground Forces' Structure

It so happened that Minister Vreven, on General Segers' recommendation, decided upon a reorganization of the structure of the ground forces, particularly the dismantling of the four anti-tank battalions. Their JPKs (tank destroyers) [Jagdpanzer Konone--self-propelled anti-tank gun] have been distributed among the infantry battalions. Several voices, in particular, reserve General Dewandre's, spoke out against this dismantlement. What is your opinion?

General Dewandre, General De Boodt answers, knows what he is talking about because he led the armored war in Normandy, he commanded a tank regiment, and was chief of staff at Central Europe headquarters. I have already expressed what I think personally to my superiors including the minister. I do not wish to talk about it in public.

Are the Parliamentary committees interested in this problem? Unfortunately not, General De Boodt answers. Two members of Parliament asked me the question; however, I could not give them an answer because, according to the rules, for them to get an answer, there ought to have been three members. Is it for economical reasons that Minister Vreven decided to dismantle the anti-tank battalions? Has not there been talk of a saving of 90 million francs thanks to the discontinuance of assignments in Germany and, therefore, of salary and housing expenses? It seems, however, that these transfers of equipment--that some people consider inadequate from a military point of view--would involve the construction of new hangars and other physical installations, an additional expense of three-quarters of a billion. Is that correct? The general prefers not to answer this question.

Anti-Tank Weapons

Since we are talking about JPKs, let us stay with anti-tank weapons. Anti-tank weapons are satisfactory in the Belgian Army thanks to the Leopold I equipped with rockets of more efficient fire power, thanks to the MILAN (anti-tank rocket with a range of 2,000 meters), to the SWINGFIRE (4,000 meters range), and to the JPK-90. The missile of the latter ought also be improved. The subject of anti-tank weapons will become clearer in the next few years.

Frontal armor of tanks is being strengthened. There are three types of armor: 1) "reactive armor" used by the Israelis. At the moment of impact of an anti-tank missile bolted-on sections explode neutralizing the missile's effect; 2) "Chobham armor" used by the British. The forward part of the tank

is made up of a protective layer, then a space, then a composite layer of ceramics that stop the missile, and 3) a synthetic armor called "Kevlar", used particularly by the Americans. It is lighter in weight and more resistant than steel.

It stands to reason, General De Boodt continues, that we are going in the direction of more efficient anti-tank weapons of the "fire and forget" type. (One only has to aim and then fire without having to track the target, because the anti-tank missile is automatically guided to the target.) But for the time being, our anti-tank weapons can intervene laterally against all known tanks, but we must be careful not to forget that the BMP [Boyeva Mashina Pekhoty--infantry combat vehicle], that is to say, Soviet troop carrying vehicles that accompany the tanks--500 to 600 vehicles to a division (against 250 to 270 tanks)--are all pierced not only by our anti-tank weapons but also by the 30mm gun on our CVRTs (light armored reconnaissance vehicle) and by the 25mm gun of our AIFVs (armored infantry fighting vehicles).

Do we need the Leopold II, as the Germans have? The vehicle is so sophisticated now that each tank crew requires an engineer. Do we have the capability? The fact remains that in order to have a better understanding of the eternal fight between fire power and armor, we shall have to wait another 5 years.

Personnel

Are our soldiers adequately trained, officered, motivated? General De Boodt cannot refrain from pointing out that the government has reduced the length of military service to 8 months (in Germany) with the prospect of cutting it to 6 months, thanks to help from temporarily assigned regulars. But, he says, we cut to 8 months even before reaching the desired number of VCs [regulars].

It had been planned that technical functions would be turned over to the regulars while the militiamen would be reduced to handling lower level jobs (guard detail, mechanics, office personnel, drivers of ordinary vehicles). Consequently, it is said, three months are enough in which to learn how to fire a gun, to protect oneself and one's unit, to have a thorough knowledge of duty in the field, for defensive installations can be a question of life or death! Nevertheless, it should be noted that, in actual fact, 3 months are equal to 3 times 21 days. It would, therefore, require 4 months of training, because what do we learn in addition? That it is important to stand guard duty at Zaventem, at the nuclear centers, that Mr. Vreven has abolished 700 civilian "jobs" in Germany (bus drivers, maintenance personnel to take care of central heating, guards at munition depots).

Incidentally, drivers are needed to move families, around 2,000 a year from Germany to Belgium and 2,000 from Belgium to Germany. To be sure, the minister ruled that such moves would be made by civilian companies on condition that the transferred military personnel receive an extra allowance to cover the cost of a move. But no provision has been made in the budget. At this time, these moving expenses do not show up very often, for ordinary pay and allowances, gasoline, depreciation of the vehicles are the responsibility of the units. It turns out that it will be necessary to increase the number of months devoted to training during which the militiaman is to be given combat training. To prepare them inadequately is playing with their lives.

Officer Personnel

There are too few officers, General De Boodt reiterates. Upon reaching 51 years of age, commanding officers are retired, at a time when they have reached full maturity with the required human and technical experience. Temporary officers are trained, then, ten years later, they are discharged. A civilian company operating in that manner would be bankrupt within 6 months. Having said that, I must say that we do have good officers, good non-commissioned officers, and good career personnel, particularly among the old-timers. Among active duty personnel, let us say that there are between 5 to 10 percent who are unsuitable. Those are the ones being talked about and who are being interviewed on television!

As for reserve officer personnel, they are extraordinary and demonstrate as great if not greater enthusiasm than active duty personnel. It goes beyond what one may believe!

Training of troop personnel has slowed down only for a lack of money (as well as fuel, ammunition) and for a lack of enough time (taking into account the few months of military training).

Is it true that the Belgian soldier drinks a lot? It is General De Boodt's opinion that this is just another story. Statistics show, with due allowance being made, that the Belgian citizen drinks more alcoholic drinks that Belgian military personnel stationed in Germany.

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MILITARY FEDERAL REPUBLIC OF GERMANY

ADVANCES IN ARTILLERY ORGANIZATION, CAPABILITIES REVIEWED

Bonn WEHRTECHNIK in German Sep 86 pp 30-39

[Article by Wolfgang Flume: "The Artillery of the German Army"]

[Text] Is it coming, when is it coming, or is it not coming?--These are questions which for several months have confronted artillerymen in the German Army as well as in Italy and Great Britain, when they think of the once so hopefully begun trilateral development plan for the self-propelled [SP] howitzer 70, Now, in the weeks to come, the decision on the further course is to be made. Aside from this plan, the German artillery force can actually be quite satisfied, however, with the advances made with other weapons and control systems, which will make the artillery a branch of service with very modern equipment. The following article reports on this and on the reorganization of the artillery which has meanwhile been completed.

The Army Structure 4 introduced at the beginning of this decade did, to be sure, bring about changes primarily in the combat troops (decreasing the size of battalions with the simultaneous formation of an additional battalion in the brigades), but it also had an impact on the artillery, which must now give fire support to four battalions. The introduction at approximately the same time of two new weapons systems was contemplated, the multiple rocket launcher MLRS and the CL-289 drone. All this taken together led to the Artillery Structure 85, which in the meantime--even though the new systems have not been introduced--has already been adopted for the most part.

Artillery Structure 85

Essentially characteristics of this new artillery structure are:

--Corps artillery. In peacetime and in a national defense emergency, the corps commander now has under him only one heavy rocket launcher battalion with three batteries of two each LANCE artillery rockets, to be employed primarily with atomic warheads--the 203mm guns were turned over to divisional artillery. Added to this from the end of the 1980's on will be one each drone battery with the CL-289.

--Divisional artillery. This was significantly reinforced, and in the divisional artillery regiment it has one each observation battalion, field

artillery battalion, and rocket artillery battalion. The observation battalion has a sound-ranging battery, a radar battery, and a drone battery equipped with CL-89 drones (in five divisions), and later on also with the CL-289.

The army field artillery battalion now has 36 guns as compared to the previous 24, two batteries with nine each field howitzers 70 (FH-70) and two batteries with nine each self-propelled [SP] 203mm guns M-110A2.

The rocket artillery battalion currently still has two batteries with eight each light 110mm rocket launchers, will double its number of launchers, however, with the introduction of the MLRS in two batteries of eight each launchers.

--Brigade artillery. Brigade artillery continues to have 18 guns in two batteries, each with nine M-109 currently undergoing combat effectiveness upgrading. They are/are supposed to be replaced in part by the new SP howitzer 70 or, to use the more accurate nomenclature, the SP howitzer 115-1.

Weapons Systems of the Artillery

Almost all the firing artillery weapons systems already introduced were recently, or are still being, combat effectiveness-upgraded. This applies to both tube and rocket artillery, to the guns/launchers as well as to the munitions.

--203mm gun M-110A2. In divisional artillery, only the self-propelled M-110A2 with improved 203mm barrel are now being utilized, having a range of circa 23 km. The 175mm caliber was dropped, since the thus equipped M-107 were likewise converted to M-110A2. This gun is also capable of firing atomic munitions.

--155mm field howitzer 70. This gun, jointly developed by Great Britain and Germany and manufactured together with Italy, has a range of 24 km with convential munitions, but up to 30 km with base-bleed munitions.

--155mm SP howitzer M-109A3 GE A1. The SP howitzers M-109G assigned to the brigades are currently being converted to M-109A3 GE A1 (see also WEHRTECHNIK [WT] 7/86, p 99). The significant change is a new barrel stemming from Rheinmetall with 39 caliber lengths (M-109G: 23 caliber lengths), which can also fire the newer munitions developed for the field howitzer 70, so that the range increased from 18.6 to 24.7 km, or, with base-bleed munitions, to 30 km.

--110mm rocket launcher. The light rocket launcher system (LARS) 110mm with 36 rockets per launcher received the new chassis of the second vehicle generation in the late 1970's/early 1980's. In addition, new munitions with the antitank mine AT-2 were introduced (five AT-2 per rocket) and every launcher platoon received a FERA fire control radar to increase accuracy of fire.

Munitions

WEHRTECHNIK has already frequently reported on more recent munitions developments, as in WT 10/85, p 112: "Artillery Munitions: More Terminal Effectiveness," and WT 4/86, p 36: "Weapons and Munitions: Where is the Trend Headed?" Also dealing with this topic in this edition is the article "New Munitions Technologies for Indirect Firing."

For that reason, the situation with respect to tube artillery can be summarized here as follows: Introduced into tube artillery units is the conventional HE shell L-15A1, which, fired from a barrel with a length of 39 calibers, has a range of up to 24 km. The base-bleed shell, introduced in the meantime has a range of up to circa 30 km, since the pyrotechnic base-bleed charge at the end of the projectile and ignited at the time of firing reduces the base resistance (which comprises circa 30 percent of the total resistance).

Introduced in the meantime, as the first step toward a performance-upgraded ammunition, as it were, is the 155mm projectile M-483A1 with 88 bomblets M-42/46. With this, semi-hardened and hardened targets can now be more effectively taken under fire, since the high number of bomblets increases the statistical number of hits. However, since the diameter of the bomblet shaped charge is only about 35 mm, the kill probability against targets with thicker armor is limited.

Since this bomblet ammunition cannot be fired with the maximum charge and thus has a range of only circa 17 km, and also because of other minor "shortcomings," the introduction is to begin still this year of the Rheinmetall bomblet projectile with 63 bomblets developed by Israel Military Industries. With the eighth charge, the range is 23 km. As the next step, an automated laying mechanism for the bomblets is to be used.

Modern munitions should then become operational in the first half of the 1990's: the search fuze munitions--probably of caliber 155 and 203 mm. Each projectile receives two or three submunitions: projectile-forming charges with a sensor (IR and millimeter wave radar). With this an armored target can be engaged within an area of circa 10,000 m^2. In Germany, munitions of this type are being developed by Diehl (HABICHT) and Rheinmetall (ZEPL) [German acronym for Target-Recognizing Projectile-Forming Charge].

The third step would then be a terminally guided 155mm artillery shell with which larger search areas could be covered and which above all would permit armored targets on the move to be engaged.

It should be noted that the first guided artillery shell COPPERHEAD was not introduced into the Bundeswehr because of the target illuminator lasser guidance, which is not well liked in Germany, plus the range limitation of 16.5.km.

Newer developments with respect to rocket artillery munitions are focused on the MLRS, which will be discussed below. A question that might be asked

is why one is reluctant to equip the light artillery rocket, for example, with a bomblet warhead. Is the introduction of this warhead too expensive?

The Next Steps

The greater range and higher hit and kill probability attainable with new munitions, especially against armored targets, assign a leading role to artillery within the framework of the FOFA (Follow-on Forces Attack) concept. The NATO concept for the engagement of the succeeding echelons and the reserves of the adversary is intended to hinder the Warsaw Pact from moving up fresh troops quickly during an attack. Important targets, therefore, are armored troops on the move or being marshaled. This also includes the now very strongly armored and--with respect to the number of tubes (approximate ratio 10:1)--greatly superior artillery of the Warsaw Pact. Since it can be assumed that also the artillery of the Warsaw Pact will be equipped with modern munitions and fire control improved, it becomes necessary for Western artillery to take appropriate countermeasures. This includes, among other things, the introduction of the medium artillery rocket launcher system MLRS with its great range (30 to 40 km), which permits also the enemy artillery to be engaged in their positions farther behind the FEBA, and in addition has the increasingly essential armor protection of the artillery. For that reason alone, there is a need for a new SP howitzer, not only to replace or supplement the M-109 but for the longer term--after the year 2000 approximately--also as a replacement for the unarmored tube artillery (field howitzer 70 and M-110). This explains the occasionally mentioned requirement for a total of 1100 SP howitzers. In this connection, the question must be asked, however, whether the number of tubes after the introduction of search fuze and terminally guided munitions really still needs to be so high. Investigations to date, however, have shown that a reduction in the number of tubes will probably not be considered--especially with the numerical superiority of the artillery of the Warsaw Pact, one should be "decidedly grateful" for every tube of one's own.

Aside from armor, the capability to open fire very quickly and then change positions is also necessary, however--it must be assumed that the friendly artillery position will itself be taken under fire circa 3 to 5 minutes after firing. Reconnaissance utilizing modern artillery radars permits a quick and accurate response. And so the future--as an additional protective measure--will probably see a far more dispersed firing position of a battery/half battery than in the past--four to five guns would then probably be set up in an area of circa 400 x 600 m. All this also necessitates an autonomous gun, which could become reality with the SP howitzer 70. A requirement, incidentally, which became reality for the first time in rocket artillery with the MLRS.

MLRS

27 May 1986 was an extremely important milestone for the European reproduction of the MLRS: on this day, the contract was finally signed between the Federal Office for Military Technology and Procurement as the executive

agency (European Executive Agency--EEA) and the MLRS-Europaeische Produktionsgesellschaft mbH (MLRS-EPG) [MLRS-European Production Company, Ltd], seated in Munich, for setting up a European production line and the beginning of the procurement of launchers, rockets with M-77 bomblets, practice rockets, and common parts for the rockets with the AT-2 mines.

The European reproduction program is divided into three phases:

--The now authorized series production preparation phase (Production Facilitation Phase--PFP) with a pilot lot, its certification, and commencement of production of long-life parts. Series production preparation includes the production of several launchers and several hundred rockets--to be tested and certified in the United States. These prototype launchers are not included in the 342 series-produced launchers, they are to be used later for the fire testing of variants and modifications. This first phase also includes options for the following two phases:

--Production phases 1 and 2, for which the options are to be made use of in the spring of 1987 and 1990.

The delivery of the launchers and rockets to line units--beginning with the German Army--is to begin in 1989. The fact that there was an approximately two-year delay here was caused by the difficulties in bringing about the European license production, where the four participating nations had to be considered qualitatively and quantitatively in keeping with the extent of their orders. The fact that in this clarifying process it was often not possible to find a common denominator very quickly is understandable.

The main contractor for the MLRS program is the MLRS-EPG, a foundation of the firms Diehl, Hinting, Aerospatiale and SNIA BPD. The division of work and responsibilities is shown by the chart. Below the overall responsibility of the MLRS-EPG, Diehl is responsible for the launch pod with its six rockets, SNIA BPD together with co-contractor SNPE for the rocket motor, Aerospatiale together with co-contractor Wegmann for the final assembly of the launchers (Wegmann is assembling the 200 German launchers), and Thyssen-Henschel for the final assembly of all launcher vehicles.

The production of the launchers--200 for Germany, 67 for Great Britain, 55 for France and 20 for Italy--for the four nations should, assuming a monthly production rate of six to eight, run until 1994, that of the rockets until 1995/96. Gratifying is the fact that now not only Germany and Italy want to order the AT-2 mine rocket (20,000 and 600, respectively), which is lagging behind somewhat in development, but that the British have also announced a requirement for circa 8,000 of these rockets. Because of that, British firms could now also participate in the competitive bidding for production of the AT-2 mine warhead. Also being intensively examined in France is the usefulness of the At-2, and the hope has not been given up that also the Americans will one day use this rocket (they have meanwhile already stationed several dozen launchers here).

Of interest is the monetary flow in the MLRS reproduction program: All four countries pay money in five currencies (some of the funds flow to the

United States) into accounts in Koblenz on the basis of the number of launchers and rockets to be delivered to their armed forces. The EPG then pays all firms directly in the appropriate currencies--industry thus runs no exchange rate risk.

The next potential customer for MLRS is the Netherlands, which is likewise interested in the procurement of launchers. These could, however, be supplied initially from American production. One is also interested in Turkey as a procurer and perhaps as a co-producer--but here too direct negotiations between Turkey and the United States are taking place. And in addition one is of course interested in additional orders from the countries already participating in the program.

On the eve of the air show in Farnborough, as it were, the MIC (MLRS International Consortium) is to be officially founded in London as an American-European consortium of Vought and the EPG for processing export orders, where on a long-term basis 60 percent of the export orders are to be awarded to American industry and 40 percent to European industry.

In the German Army, the preliminary work for the takeover, which must be managed with no additional personnel, is already running at full speed. Two launchers procured in advance in the United States serve for the testing of the national periphery, such as the fire control system ARES, as well as for assessing the maintenance. These measures are intended to create logistic and training readiness. The training of the cadres for the artillery school is taking place in the United States. What additional steps and measures are to be taken so as to train the personnel before the acceptance of the first European-produced launchers in 1989 is currently being looked into.

To be procured initially by the Bundeswhhr, aside from practice rockets and rockets with 644 bomblets (so-called MLRS Phase I), will also be AT-2 rockets (MLRS Phase II). Then, in the second half of the 1990's, rockets with terminally guided submunitions for use against armored targets on the move should be ready for introduction.

The development of MLRS Phase III is being carried out by an American/European consortium MDTT with Martin-Marietta, Deehl, Thomson-Brandt, and Thorn-EMI. Each rocket is to receive six terminally guided subprojectiles equipped with a millimeter wave seeker head. Currently, the question is being looked into whether the shaped charge of these subprojectiles (TSGM--Terminally Guided Sub-Munitions) is adequately dimensioned to penetrate future enemy armors. The appearance of active armor in the Warsaw Pact (see WT 8/86, p 21) could make it necessary to place tandem shaped charges into the submunitions. These would then be longer, however, so that fewer subprojectiles could be accommodated in the warhead of an MLRS rocket (detailed description of the European MLRS production in WT 9/85, p 74).

Self-Propelled Howitzer 155-1

Far less gratifying is the current status of the development of the SP howitzer 155-1. This SP howitzer, jointly developed by Germany, Great Britian

and Italy, is to fire a burst of three shots in 10 seconds and six shots per minute in rapid fire--figures which to date have not been achieved with any other equipment. Nor, for that matter, with sufficient system reliability, by the SP howitzer 155-1. Plans called for 32 projectiles in a magazine in the rear of the turret, which was loaded with the help of an installed munitions replenishment system. One projectile was then always automatically brought to the extraction position, which by means of a loading arm and a loading tray was automatically transported to the barrel and rammed by means of a "flick rammer." The projectile transfer sequence from the magazine to ramming took 4.6 seconds. Once the projectile has been rammed, the propellant charge is introduced and the breech closed. During a fire burst, one projectile is in the barrel, one on the loading tray, and a third on a standby tray next to it.

Despite the production of five prototypes of Stage A and ten improved prototypes of Stage B, the performance level required by the clients could not be met, however. Sharing the "blame" for this thus far negative result, aside from the sometimes ambitious and difficult demands, was the division of labor; no general contractor was empowered to take decisive measures. Better management for the completed/new development of the SP howitzer, is an absolute necessity of decisive importance.

Trilateral agreement on this matter should--finally--be reached this summer. The industry was asked to come up with proposals, which if at all possible were to satisfy the recently revised military requirements for a modern SP howitzer and which do not take an overly long time to complete. The contract-letting agencies are thus also willing to "risk" an unbureaucratic military hardware development process and plan that the industry, if possible by the end of 1987 and on the basis of Stage B prototyees or in-house developments, will come up with two to three vehicles per bidder, which are then to be tested by the contract-letting agencies so that a type selection can be made, if possible, still in the year 1988. The objective here is to be able to introduce the new SP howitzer into line units still before 1995, if possible. The British in particular are pressing for an early target date, since they have only few M-109's themselves.

Proposals for improvements came from the following groups of firms:

--Krupp Mak, Rheinmetall, Wegmann, OTO Melara, and Royal Ordance Nottingham (mostly firms which have already worked on the SP howitzer to date) propose an improved version of the current SP howitzer 155-1 with modifications on the chassis and turret. If this proposal is accepted, Krupp Mak would be the general contractor for series production.

--Krauss-Maffei, KUKA and Porsche propose a completely new munititons flow concept having a magazine in the hull and the driver in the rear of the turret. This requires considerable modification of the current vehicle, so that there are doubts that this technically perhaps most enticing solution can be realized on time.

--Thyssen-Henschel plans to cooperate with the British firm VSEL. They propose a sort of combined solution: the chassis of the SP howitzer 155-1 and a new turret based on the British-Brazilian SP howitzer AS-90.

--OTO Melara proposes, in addition, a revised version of its SP howitzer PALMARIA, and

--VSEL was asked by the British government to offer the AS-90.

One must now wait to see how the race begins and how it ends. If the plan--for which the Germans have thus far spent circa DM300 million and for the completed development of which another DM200 million would probably be spent--could not be carried out on an international cooperative basis, then going it alone on a national basis should be considered. Or, failing that, the start of a new development for the introduction of what would then be an entirely new SP howitzer from about the year 2000 on, again on a European cooperative or perhaps transatlantic basis? But in that case surely as a technically very modern piece of equipment, perhaps with liquid propellant and similar modules which are technically not yet feasible at this time.

The German requirement is for 300 SP howitzers to supplement the barely 600 M-109A3's, of which some could then be turned over to the territorial army.

Control, Reconnaissance, Target Location

As important as the firing weapons may be for the artillery, and as promising as the continued development of guns and launchers and particularly munitions may be, the real "revolution" is currently taking place in an entirely different sector, namely that of control, reconnaissance and target location. If all developments currently underway in this area are introduced, then the artillery will become the most modern branch of service of the army with respect to equipment, and the predominantly electronic system will become what the Americans refer to as "Force Multiplier," a method for multiplying the existing forces.

Efforts being made in this area can be grouped together under the concept of "artillery control infommation and fire control system." It consists of a multiplicity of components on the reconnaissance and the so-called execution level (issuing of orders, weapons employment).

The artillery control information and fire control system includes, or will include, the following systems as suppliers of reconnaissance and target location data for the artillery data, location and weapons employment computer net (ADLER):

--Drones CL-89 and CL-289 with penetrating depths up to circa 70 and 150 km, respectively (i.e. consistent with the zone of responsibility of the division and corps, respectively).

--Remotely piloted vehicles [RPV] for target acquisition with thermal image seeker head, This RPV system is in the definition phase at Dornier and MBB as a target acquisition and surveillance system primarily for use with the terminally guided MLRS. Introduction is planned for the mid-1990's.

--Artillery radar RATAC, which has been assigned for years to the radar batteries of the observation battalion of divisional artillery.

--ATMAS, the atmospheric measurement and analysis system.

--A new artillery acquisition radar has completed the definition phase at the national level--participating in the development, on a competitive basis, are AEG, SEL and Siemens. Efforts are now underway to carry out the project trilaterally with France and Great Britain under the designation COBRA.

--Precision measurement is to be improved by the sound-ranging system 85 with disassemblable, automatic measuring points, which is nearing the development phase. Introduction is planned for circa 1990.

--The optronic target location artillery is a device for registering and measuring the firing sounds of enemy artillery. It is in the definition phase and is likewise scheduled for introduction from about 1990 on.

The weapons employment-control system ADLER (see WT 9/85, p 30) is to link together the fire batteries at battalion and regimental level and in this way shorten the reaction time for the concentration of fire. Through its utilization, up to five times as many targets as in the past can be engaged per unit of time. The reconnaissance findings of the various artillery locating resources enter automatically. ADLER itself, in turn, relies in the fire battalions on IFAB and ARES.

IFAB (Integrated Fire Control Measure Artillery Battery) is an automatic data processing and transmission system of tube artillery having the essential components:

--Armored reconnaissance vehicle artillery, 320 of which have meanwhile been delivered;

--Armored fire control vehicle artillery, a total of 154 of which have now been delivered;

--In place of the originally planned armored aiming circle vehicle, an automatic direction and orientation device for tube artillery (AURORA) is now being developed for the SP howitzer M-109A3. To be tested are two divergent concepts from BGT/Teldix as well as LITEF. While the BGT/Teldix device is structured along modular lines with almost commercially available vehicle orientation equipment and north-seeking gyroscope, LITEF offers an expensive, so-called integrated device with strap-down gyro, which is expandable for fully automatic aiming, which in the SP howitzer might perhaps make the gunner superfluous. AURORA permits the rapid self-survey of the SP howitzer (location on the terrain and direction to north), thus making the guns more mobile and enabling them to fire more quickly after changing position. The decision re the version is to be made in 1987.

--ABACUS is a fire control system under development by Dornier for towed field artillery. In this system, the fire control center with computer and data input/output device is located in a communications compartment.

ARES is an artillery rocket employment system for the MLRS that is similar to ABACUS. It is likewise being developed by Dornier. The other MLRS-user nations have similar systems for the MLRS. With respect to this, agreement has now been reached on a common interface between launcher and the operational system.

All in all, therefore, a modernization from top to bottom of the observation and firing artillery. It is worth noting that the long-range reconnaissance required for the terminally guided MLRS will probably be available in time for the introduction of the new rockets.

The Future

MLRS is the first artillery weapon for engaging targets in depth on the battlefield. The combat drone of the army system, likewise slated for the artillery--the former antitank drone PAD--will probably become the second. This remotely piloted vehicle, intended for use against tanks, will loiter in the target area, seek out its targets with millimeter wave radar and/or IR seeker head, and then dive down on the target with its shaped charge warhead.

What is questionable is the vulnerability of this system, which is to be introduced from the mid-1990's on--something which is not true at all of an artillery rocket system which has now entered the development phase in America, having a range of clearly more than 100 km and thus also greater than that of the LANCE, the Army Tactical Missile System ATACMS (see WT 1/86, p 102). The contractor for the development is Vought. ATACMS is fired from MLRS launchers, with even the size of the launch pad being retained, except that now, instead of six MLRS rockets, one ATACMS is fired, i.e. two rockets per launcher. A warhead for use against soft and semi-hardened targets with bomblets is to become operational initially, and later on also a warhead with terminally guided submunitions for use against tanks. To improve accuracy, a so-called in-flight update, i.e. a course correction in flight, could be planned. This would be necessary, above all, for the likewise projected warheads against hardened targets (bunkers) and runways.

This rocket system could, within the framework of the FOFA concept, assume certain tasks from the air forces, perhaps with improved cost-effectiveness. Necessary for this, however may be a real-time reconnaissance system with an equally great range.

As with MLRS, the Americans are offering the Eruopeans a co-production--if, however, the Europeans were to decide quickly in favor of this artillery system, cooperation during the development phase should still be possible. An escalation should really not result from ATACMS, since it would only assume tasks which now are still being covered by the air force.

Through the employment of the latest technologies, new tasks will therefore be assigned to the artillery in the future--perhaps one day this will also mean that the artillery is no longer viewed as a combat support but as a combat force.

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MILITARY FEDERAL REPUBLIC OF GERMANY

TRACKED WEAPONS CARRIER PROMISES NEW AIRBORNE MOBILITY

"Wiesel" Weapons Carrier Characterized

Herford KAMPFTRUPPEN/KAMPFUNTERSTUETZUNGSTRUPPEN in German Jul/Aug 86

[Article by Immo Steinberg: "The 'Wiesel' Weapons Carrier: Possible Impact on Training, Command and Employment of Paratrooper Force"]

[Text] Short Description

The Wiesel 1 TOW/MK weapons carrier is a full-tracked vehicle with light armor and front drive which can be transported by air, is easily operated, very mobile, and has full cross-country capability. It has an extremely low combat weight, its dimensions are modest and its silhouette small.

Both variants, Wiesel 1 TOW and Wiesel 1 MK weapons carrier, have a uniform basic undercarriage. The hull shell consists mainly of thin armor sheet steel, the type of construction is both bulkhead and homogeneous and provides protection from the effect of small arms and to a limited extent from shell fragments. The roof area is closed and has hatches. The engine is located lengthwise in the front of the hull and the driver's position is next to it to the right. The aft hull area is variable and is also suitable for other purposes in addition to having the TOW antitank weapon or the 20 mm machine gun.

The Wiesel weapons carrier can be transported by air. Two vehicles can be transported as internal load or one Wiesel as slung load by a medium-size CH-53 transport helicopter. A C-160 transport plane can transport four weapons carriers.

Equipping the paratrooper force with the Wiesel is scheduled for the period between 1989 and 1993. At the end of this time every airborne antitank company will have:

-- 10 TOW weapons carriers and

-- 6 20 mm MK weapons carriers each.

This will substantially increase the combat effectiveness of the airborne antitank companies. They will gain in mobility and reaction capability and

will be substantially better equipped than has been the case to combat tanks. Their primary weakness, limited suitability for night fighting, will be eliminated by outfitting the Wiesel with night vision equipment. Nonetheless, a number of problems can be anticipated when introducing the Wiesel which should be given careful consideration so that the advantages of the new weapon system can be utilized from the outset.

Impact on Training

The Wiesel weapons carrier is a full-tracked vehicle. As a consequence more consideration must be given to the technical service than in the case of the traditional wheeled vehicle. It is a common experience in all units which were converted from wheeled to tracked vehicles that as a rule this fact is substantially underestimated, subsequently resulting in an unnecessarily high burden on the repair services, causing unnecessarily high costs and at first diminishing confidence in the reliability and efficiency of the defense material.

A tracked vehicle is designed for use in heavy terrain and its best characteristics are realized there. But it does have its clearly prescribed performance limits and must not exceed these in actual use, otherwise damage must be anticipated. These limits are comprehensively listed in the Technical Regulations. There are two main characteristics of soldiers which can result in avoidable damage.

First of all, many military commanders do not like to read regulations, at least not technical ones. It is often said that the Technical Regulations are best kept by the driver or operator. The consequence of this position can be that the driver issues orders to the crew which can be carried out only by exceeding the prescribed performance limits of the weapon system. In violating many laws it is possible to get off without being punished, but clearly this does not apply to exceeding laws of nature.

A track which is loaded beyond its permissible load capacity breaks. A suspension arm, if treated the same way, will break with absolute certainty. Thus, if the intention is to avoid damage, then more than ever before this will depend on taking the performance limits of the weapons carrier into consideration when giving orders to the crew.

Secondly, our soldiers as a rule are young and unconcerned. The driver of a Wiesel, approximately 20 years old, who does not try to find out what all can be done with the vehicle without "falling on his nose" has yet to be born.

Here the command supervision of the superiors of all grades is called upon to recognize early on such dangerous and detrimental tendencies and to counter them. The question is often asked why such damage is not established during technical tests or in operational tests. The answer is simple; an operational test determines whether the equipment meets the required performance levels, but not how it behaves when overtaxed. The test personnel know the performance limits very precisely and observe them.

Finally, one additional point should be mentioned. Tracked vehicles as a rule are employed only where wheeled vehicles can no longer be used. Their load is, therefore, many times greater than that of a wheeled vehicle. From this it follows that the cost of maintaining a tracked vehicle must likewise be many times greater. It is extremely important to focus attention on the early detection of trifling damage. One small deficiency which can possibly be eliminated in a few minutes, but if not given consideration will develop into very extensive, expensive damage which will be costly in terms of time. This is where the command supervision of the superiors must intervene which, of course, demands of them exact and detailed knowledge of the equipment. Technical service includes supervision by the commander. It is a matter of impressing on the soldier the necessity to observe these principles even in wartime. If they are not taken into account, then material operational readiness will decrease very rapidly. When in operation every crew will very quickly understand that if their vehicle breaks down they will be without protection and will have to go on foot, thus they will strive to do all they can to keep it ready for action. This motivation is not as great in peacetime because if there is a breakdown fast help can be anticipated and thus the equipment is handled much more carelessly. Leadership measures can create in this case an appropriate incentive.

Finally, mention should be made of one point of view which, of course, applies only to training in peacetime. Every tracked vehicle affects its environment. It is a fact that a formation which is equipped with tracked vehicles is capable of turning the most beautiful garrison training area into a wasteland in a short time. The shearing effect of the tracks when taking corners tears up the surface of the ground and in a short time results in irreparable damage to the vegetation. For this reason special tank sites have been created in troop training areas as well as in garrison training areas of the garrisons with armored formations. Driver training and training with the tracked vehicle take place in these parts of the terrain. Such a separation is necessary if the intention is to avoid a situation in which ultimately there is no suitable place for training without tracked vehicles. Even training in open terrain, which in the case of wheeled vehicles is almost without problems, is possible only on a limited basis. The unimproved intersection of two forest roads can be used by automobiles only to a limited degree after a number of tracked vehicles has taken a sharp corner there. Admittedly, a Wiesel is not a Leo, but its impact is similar, even if more modest in scope.

Impact on Command

The Wiesel weapons carrier has light armor, is very mobile, has full cross-country capability, but provides only modest protection to weapon and crew. This results in the fact that it must be deployed in mobile situations if it is to survive in the battlefield. In antitank warfare it has a chance only if it is not detected because of its small silhouette or if it shifts its position after having to assume that it was detected. The same is true of the effect of artillery fire. The Wiesel with its high specific performance makes it possible for its crew to quickly withdraw from the effect of enemy fire. This high technical mobility is its best protection and must be utilized.

Wherever possible, therefore, when employing the weapons carrier the following should be taken into consideration:

-- sheltered position in order to put off as long as possible exposing the weapons carrier to enemy discovery and weapon effect,

-- shift position at such large distances that the enemy tank is forced into renewed target acquisition and aiming.

This means that the deployment areas of a platoon will have to be fully utilized in the future with the Wiesel.

The Wiesel TOW weapons carrier has a thermal imager, the Wiesel MK a night sighting device based on low-light level amplification. Both get their power supply from the generator and, as a buffer, the vehicle battery. The use of the night sighting devices to observe the battlefield at night is thus possible only to a limited extent if the engine is not running because after a certain amount of time the vehicle batteries are weakened to the point that they no longer have enough power to start the engine. Beyond that, observation with these devices is very exhausting and can be implemented only for a limited time. For these reasons it is clear that the use of the night sighting devices must be a command decision. Night sighting devices make combat at night easier, but they do not make night into day.

Impact on Employment

The Wiesel weapons carrier can be transported by air. Thus, with the help of helicopters it can be moved through the air very quickly over large distances and emerge from the aircraft into combat fully operational. The shift from one alert status to another is possible almost without delay. Greater preparations for transport by air are not necessary because, for example, the fuel does not need to be drained. Lashing and unlashing in the aircraft is also possible without the crew having to leave the vehicle. While being transported by air it remains in the vehicle because the necessary facilities to do so are in the vehicle and the helicopter's own seats cannot be lowered if two Wiesel's are loaded in the helicopter. Thus, it is no longer necessary to unlash the vehicles during the landing approach. This was practiced frequently in order to keep the helicopter's time on the ground as short as possible. Apart from the fact that this measure went against regulations, it is impossible to understand why the cargo should be unlashed during what is precisely the most risky part of the flight, the landing approach, in which the danger of crashing is greatest. Unlashing the Wiesel can be done in a few seconds and thus the time advantage which was given for the previously mentioned measure does not apply.

Service support takes on increased importance during use. Because of the modest dimensions and weights of the Wiesel the combat load must naturally be limited. However, responsibility for operational readiness thus rests to an increased degree with the supply command and implementation. Resupply, primarily with POL [petroleum, oil and lubricant] materials, must take place in such a timely manner that no element is out of action because of a lack of ammunition or fuel. In addition, there must be the guarantee that it will be possible to implement the scheduled maintenance work of MEST [material

maintenance levels] 1a, 1b and 2 in as far advanced positions as possible, on site if possible. The same is also true of field maintenance.

With the integration of the weapons carrier into the airborne antitank companies the question of basic organization must be reviewed once again. It is rather a matter of coordinating a statistical component, namely the paratrooper companies, with a highly mobile component, the airborne antitank companies.

The paratrooper companies have only limited mobility on the ground whenever they are dismounted from their transport vehicles. To operate they require terrain which is covered, broken or built up to the greatest possible degree. Their combat range for the most part is upt to 300 meters. They have only limited night operations capability and normally fight from prepared, established positions.

In contrast, the airborne antitank companies are fully mobile. For them to operate they require partially covered undulating terrain which provides them with positions which have sufficient partial cover or are concealed with a field of fire up to 4,000 meters. The areas assigned to them must be large enough so that they can fully utilize their mobility and fight the enemy at the greatest range of fire without having to expose themselves to the effect of his weapons. They have been optimized mainly for antitank combat and when dismounted have only their machine guns or their personal hand weapons to counter attacking infantry. Their mobile deployment, therefore, is absolutely essential for them to survive.

These problems are relevant in respect to current outfitting. But after being equipped with a highly mobile weapons carrier they will be intensified and require a solution. Because of the fact that the use of night sighting devices will be possible only if the engine is running, detection by the enemy must be taken into consideration. Beyond that, it will be necessary to implement listening observation by means of well-placed local security people if the intention is to avoid letting the weapons carrier be surprised by dismounted infantry.

Summary

The Wiesel weapons carrier will substantially increase the combat effectiveness of the paratroopers. Its introduction into the unit will, however, also involve a number of problems which every new device causes. These problems will affect and burden the training, employment and command of the unit. Only a small part of the total issue could be dealt with here.

In this case, too, as generally, the hidden difficulties will first become apparent in service usage.

Experiences from other branches of service, however, also reveal that these difficulties can be controlled if there is forward-looking understanding of the problem, timely information and goal-oriented and decisive action on the part of all those involved.

Impact Upon Airborne Organization

Herford KAMPFTRUPPEN/KAMPFUNTERSTUETZUNGSTRUPPEN in German Jul/Aug 86 pp 141-144

[Article by Reinhard Marek: "Thoughts on Organization of the Paratrooper Force After Introducing the Wiesel (LL) Weapons Carrier"]

[Text] Basic Principles

Paratrooper forces are often the only formations which can be moved in a timely manner over large distances

-- to reinforce,

-- to contain enemy forces which have broken through,

-- to free up armored formations,

-- for raid-type operations.

Presumably army pilots will have the same level of transport formations beyond the year 2000 and will guarantee the air mobility of paratroopers.

A revolutionary reorganization into a major air-mobile formation which uses the third dimension for combat will be possible only if tactics, technology and financial resources can be brought into line.

But thought should be given to adapting and improving the current organization of the airborne brigades after being equipped with the Wiesel (LL) weapons carrier at the end of the 1980's.

The current organization of the airborne brigade into airborne infantry battalions with airborne infantry companies and antitank companies has proven successful. The battle against tanks can be waged from positions (immobile) at a great distance and the paratrooper, who fights from positions or on foot, is supported using the motor truck as a weapons carrier for the PARS [antitank guided missile system] TOW/MILAN and FK 20-2.

At the end of the 1980's the motor truck, which provided the weapon systems with only limited mobility for movement and redeployment, will be replaced by the Wiesel (LL) weapons carrier and the PARS TOW weapon system will receive full night operations capability with the introduction of the ANTAS-4 thermal imager.

The Wiesel (LL) weapons carriers which can be loaded into an airplane give the weapon system, and thus the battle, a new and high quality:

-- protection from enemy infantry weapons and limited shell fragment protection,

-- high mobility in the terrain, together with a small target outline; that is, higher combat effectiveness by fighting from shifting positions with better protection from the effect of enemy weapons,

-- mobile defense of an area with long-range antitank weapons and direct-fire weapons; rapid massed concentration at shifting sites during the day and at night.

The step from entrenched antitank weapons and FK 20-2, which defend without mobility and which support the paratroopers, to mobile antitank combat by the unit and formation is becoming reality for the paratrooper force. Until now, because of the limited mobility of the weapon systems in combat it has been necessary to incorporate a large number in the formation.

With the Wiesel (LL) weapons carrier the element of mobility is utilized, and the antitank forces can engage in combat against enemy tanks at night and during the day using the principles of the paratrooper force.

Recommendation for a New Organization

The recommendation on organization of the 26th Airborne Brigade (LLBrig), which is shown in the appendix, with two differently organized paratrooper battalions was developed on the basis of the STAN [Table of Organization and Equipment] HS 4.

No additional weapons/vehicles or personnel are required. Only the current reconnaissance weakness of the LLBrig must be eliminated for a regular or large formation which also is mobile in combat. The forces necessary to do this would come from the current strength of the LLBrig.

LLBrig	1st Battalion	2d Battalion	3d Battalion	4th Battalion
old organization	28 PARS 12 FK	28 PARS 12 FK	28 PARS 12 FK	9 FK wheel gun mount
new organization	22 PARS 6 FK	22 PARS 6 FK	30 PARS 18 FK	10 PARS 6 FK

Advantages of the New Organization

The LLBrig has two different types of battalions: strong infantry battalions with adequate antitank capability and a strong antitank battalion in which the high mobility in warfare becomes fully effective.

This organization provides the brigade with more opportunities in combat for massed concentration which is strong in infantry or in antitank combat and takes into consideration the threat and thus the orders to the LLBrig.

Contrasting the antitank weapon systems shows that even the airborne battalions have adequate and mobile antitank capability.

Organization of the Airborne Battalion (FschJgBtl) Formations

-- 3 airborne infantry companies (FschJgKp)

-- 1 airborne antitank company (FschPzAbwKp)

A formation which is strong in infantry for defense and attack combat in covered terrain, which has adequate antitank strength and which with the airborne antitank company is able to conduct mobile antitank combat at the security line and in the defense area. The battalions which are strong in infantry are essential for defense and for dismounted attack, given the progressive dispersal.

Beyond that they are particularly suitable for attacking rear facilities with commando squads or in raid-type operation.

In this way comparatively strong enemy forces can be contained.

Airborne Antitank Battalion (FschPzAbwBtl)

-- 3 airborne antitank companies

-- 1 airborne infantry company

A formation with antitank strength for mobile defense and delaying action in combat provides the LLBrig with the capability of deploying a delaying-action formation given appropriate support with artillery/engineers.

Because of the high mobility and the large number of PARS TOW and FK 20-2 the battalion is appropriate for deployment in main antitank thrusts or against enemy penetration.

The necessary protection from enemy motorized riflemen mainly at night and in broken terrain is guaranteed by the airborne infantry company.

Some 18 FK 20-2 provide adequate antiaircraft capability.

In peacetime the airborne antitank company of the 4th Battalion is assigned to the formation and gives the formation the necessary strength even for peacetime tasks.

In a national defense emergency the battalion is given one airborne infantry company of the 4th Battalion which, according to the new reservist system can exercise mobilization in this formation every year and be integrated.

4th Airborne Infantry Battalion (staffed)

-- 3 airborne infantry companies

-- 1 airborne antitank company

A formation strong in infantry with adequate antitank forces which when deployed has three airborne infantry companies (mob.) without MILAN and an active airborne antitank company. Through the necessary supplementing with active personnel and the active airborne antitank company this formation will very quickly provide the necessary increase in combat effectiveness and will be available in a timely manner to the LLBrig as a total combat formation.

Airborne Reconnaissance Platoon (FschAufklZg)

-- 2 reconnaissance patrols 0.5 tons

-- 4 reconnaissance patrols (8 Wiesel [LL] weapons carriers)

The personnel which is additionally required in the LLBrig's reconnaissance group must and can be freed up from the brigade:

-- 1 platoon leader

-- 7 noncommissioned officers

-- ca. 8 soldiers

Air Mobility and Ground Mobility

a) The capability to move the LLBrig by air following reorganization continues in place.

b) Transport space of the army aviation commandos

-- 18 UH-1D's
with ca. 80 percent in commission
-- 24 CH-53's.

Two battalions can be flown in two waves using this transport space.

c) Because of the road speed of the Wiesel (LL) weapons carrier, which is greater than that of the motor truck, the other two battalions can be in the defense area by road march given an average distance of 100 km with or shortly after the landing of the second wave. This produces a substantially more rapid operational readiness level and with greater combat effectiveness.

d) In combining the air transport space of two army aviation commandos the self-contained LLBrig can also be deployed in a way that overlaps the corps and thus gains rapid reaction capability for operational use.

Air transport space	Airborne Infantry Battalion 18 UH-1D's 6 CH-53's	Airborne Antitank Battalion 18 CH-53's
Wave Forces		
1st wave	2 airborne infantry companies Parts of antitank company Parts of battalion command group	2 antitank companies Parts of battalion command group
2d wave	1 airborne infantry company Parts of antitank company Parts of battalion command group	1 antitank company 1 airborne infantry company combat support sections

Training and Personnel

This recommendation on organization is based on the given sizes of numbers of the LLBrig in the HS 4. The airborne infantry company and the airborne antitank companies remain in their current successful organization.

The system of troop training, of uniform replenishment with the beginning of basic training, will not be changed.

Summary

With the introduction of the PARS TOW/FK 20 weapon systems on the motor truck with its limited cross-country capability the paratrooper force has occupied a useful role in the HS 4.

Sufficient weapon systems were available to combat enemy tanks.

Paratroopers and PARS TOW/FK 20-2, which are immobile and fight from positions, supplement and protect one another and conduct the battle with the support weapons.

However, combat effectiveness has increased decisively with the new Wiesel (LL) weapons carrier:

Mobility--rapid readiness for action and limited protection from enemy fire--give the weapon system new quality and require efficient organization.

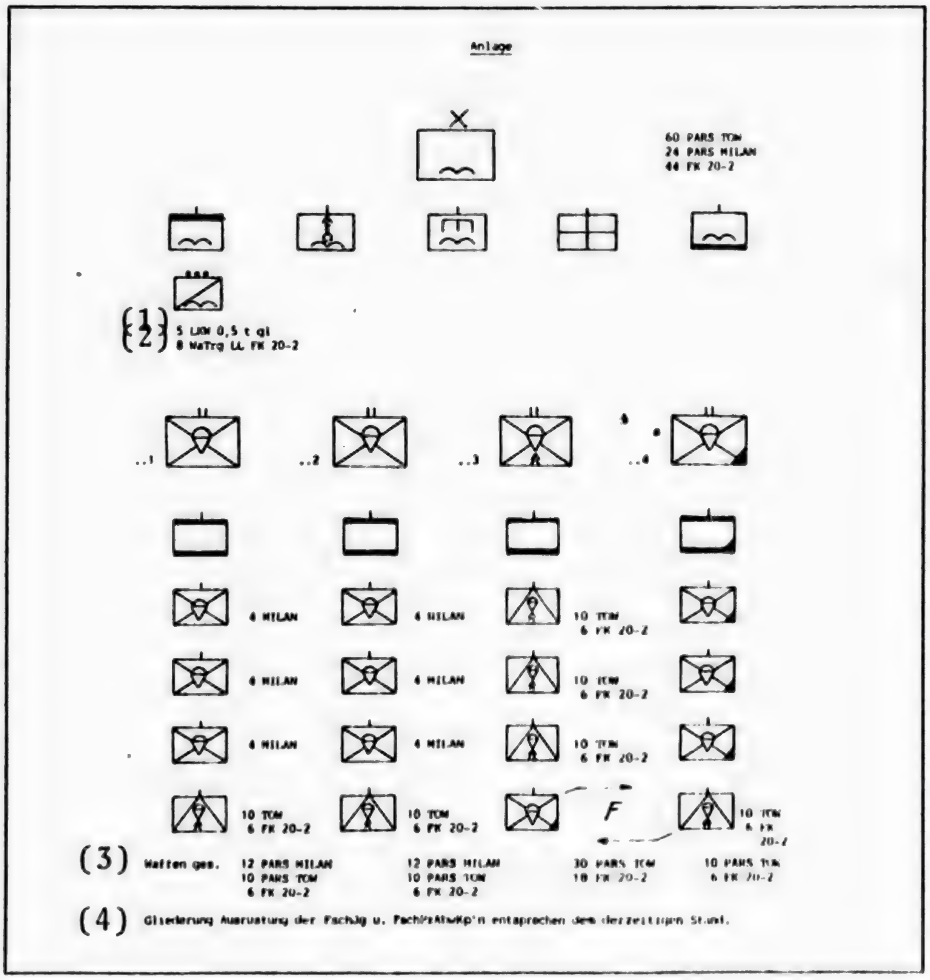
Thus, it is a matter of accomplishing the following with the new organization:

-- to reestablish formations strong in infantry which have their strength in defense in built-up/forested terrain and in raid-type operations,

-- to have formations which are strong in antitank capability and which are deployed quickly and with mobility against enemy breakthroughs, in the main thrust of antitank action and in delaying action,

-- to utilize the high motivation of the paratrooper reservists in formation which has airborne infantry/antitank elements and as a partially active formation (mixture) rapidly established full operational readiness when mobilizing.

This organization, which retains the existing structures of the company and requires no additional personnel, provides the airborne brigade with the opportunity to fight in a more mobile manner and to react more quickly and effectively to the main thrusts with strength in infantry and antitank capability.



Key:

1. 5 trucks 0.5 t gl
2. 8 LL weapons carriers FK20-2
3. Weapons
4. Organization. Equipment of the paratroopers and airborne antitank companies correspond to the current level.

12124/12859
CSO: 3620/37

MILITARY FEDERAL REPUBLIC OF GERMANY

DETAILS OF LEOPARD 1 MBT, M-109 SP HOWITZER UPGRADING

Rejuvenation for Aging Leopards

Bonn WEHRTECHNIK in German Jul 86 pp 66-68

[Unattributed article: "Make New Out of Old!--On the Combat Effectiveness Upgrading of the Leopard 1 to the 1A5"]

[Text] The combat effectiveness upgrading of 1300 Leopard 1 began with the signing of the contract in December 1985. The following report will describe the measures being taken to keep the oldest Leopard 1 tanks (the version A1A1, by now already in service for 20 years), capable of meeting the threat beyond the year 2000.

The phrase "combat effectiveness upgrading" has changed its meaning in the past few years. While originally it probably had the negative connotation of an "expedient," combat effectiveness upgrading today is a measure for improving an inherently high-quality weapons system in such a way that it can for all intents and purposes be viewed as new, and as capable of meeting the threat in the foreseeable future. Or, to express it another way: For circa DM900 million, 1300 Leopard 1A1A1's can be so modified that the gain in combat capability far exceeds that which could be achieved with the procurement of X number of new Leopard 2's for the same price and not upgrading the combat effectiveness of the Leopard 1.

In the combat effectiveness upgrading measures now to be taken, great emphasis was placed on cost effectiveness. Many changes which would be desirable, to be sure, but which are probably not top-priority requirements (with the emphasis on "top"), were dropped or deferred. In order to make later combat effectiveness upgrading phases possible--such as replacing the barrel with a 120mm smooth-bore gun, for example--the appropriate design prerequisites were already incorporated.

Primarily, however, the current combat effectiveness upgrading of the Leopard 1A1A1 to the Leopard 1A5 represents an improvement in the first-shot/hit probability with shortened reaction times during the day, at night and in poor visibility, as well as a significant improvement of the boresighting stability, combined with the elimination of fire-technical shortcomings and an increase of the MTBE [Mean Time Between Failures]. Paralleling the combat

effectiveness upgrading is a depot and emergency repair program in which a number (12) of technical directives which have accumulated in the past 5 years will be included. Implementation of these technical directives is now being consolidated so as to relieve field forces of this responsibility.

The technical directives-related work being carried out in addition to combat effectiveness upgrading includes, among other things:

In the track and suspension area:

--a jet water cleaning system for the periscope of the driver,

--reinforcement of the suspension arm mounting of the running gear,

--improvement of the ABC protective equipment.

In the turret area:

--laser protection for all optical equipment,

--installation of an optical joint in the turret sighting telescope for the gunner,

--a 13-round munitions rack,

--improvement of the elevation control cylinder mounting,

--installation of new trunnion bearings.

Part of this work will be done at the repair firms, the vehicle plant Ichendorf and the army repair plant 850 in Darmstadt; another part will be carried out at the integration firms during the installation of the new fire control system.

The main contractor for the combat effectiveness upgrading per se is the firm Wegmann in Kassel. Rheinmetall in Unterluess will be involved in the modification of the vehicle turrets to an extent comprising circa 20 percent of Wegmann's net product.

The combat effectiveness upgrading contract comprises:

--Removal of the stereoscopic rangefinder, since the EMES 18 has a laser rangefinder. (Here it should be noted that the Greek Leopard 1A3 and the Turkish 1T1, in addition to the laser rangefinder, also retain the stereoscopic rangefinder, so that they have two independent rangefinding systems at their disposal. In addition, laser echoes can in this way be identified by the stereoscopic rangefinder. In these tanks, the laser electronics equipment is located in the rear of the turret, since the space there is not used for munitions storage);

--The fitting of the fire control system EMES 18 of the firm Krupp Atlas Elektronik, a variant of the EMES 15 adapted to the Leopard 1 and utilizing circa 80 percent of the components likewise installed in the Leopard 2;

--Conversion of the communications equipment to the new VHF radios SEM-80/90 from SEL [Standard Elektrik Lorenz] in a separate conversion operation.

The main aiming device of the Leopard 1A5 is the main sighting telescope for the gunner. The commander has a separate eyepiece available to him. It is located in the turret in front of the gunner and comprises the following modules: direct-vision block module (periscope top), connecting module with laser emitter and receiver, thermal imager, eyepiece module, and mount with forehead support.

The fire control computer is taken over from the Leopard 2 in a slightly modified version. Thanks to the digital ballistic core, the adaptation to the 105mm gun poses no problems.

The panoramic sighting periscope of the commander is taken over from the old fire control system, with the direct vision head lengthened so that it extends beyond the periscope head of the main sighting telescope. Also taken over from the old system is the turret sighting telescope for the gunner. The gunner's and loader's control units are in essence identical to those of the Leopard 2. The same is true for the thermal imager, its electronics, and the thermal imager auxiliary control unit for the commander.

Cost effectiveness was also a primary parameter in the performance of depot repair and combat effectiveness upgrading, so that an effort was made to keep the transport distances as short as possible. The tanks are delivered to the repair plants (the vehicle plants in Ichendorf and the army repair plant 850 in Darmstadt). Inspection of incoming tanks is carried out there. The turret is raised, emptied, sand-blasted, and then sent to the integration firms with weapon. At the repair plants, reusable modules are repaired or returned to the manufacturer for modification.

The reconstruction of the turret takes place at the integration firms (Wegmann, as the main contractor, and Rheinmetall). As a precautionary measure, a recess is cut out in the upper part of the turret for the possible future accommodation of a 120mm gun, which is meanwhile closed with a filler piece. Thus, the turret does not have to be removed for machining in the event of a later replacement of the main weapon. Factors speaking for the caliber upgrading are not only the greater capability of the 120mm gun, but also the logistics which it shares with the Leopard 2 and the American battle tank M-1 Abrams. Upon completion of work at the integration firms, turret and chassis are united there and the final inspection takes place.

The next steps are the system fault firing in Meppen and acceptance by field forces. The passing of ownership and the commencement of the warranty begin at the time of the final inspection at the integration firms.

The transit time per tank is circa 4 months.

This procedure assures the lowest transport costs and the shortest time that the field forces have to do without the vehicles. The first modified Leopard 1A5 is to be turned over to the army chief of staff on 19 December 1986. Two

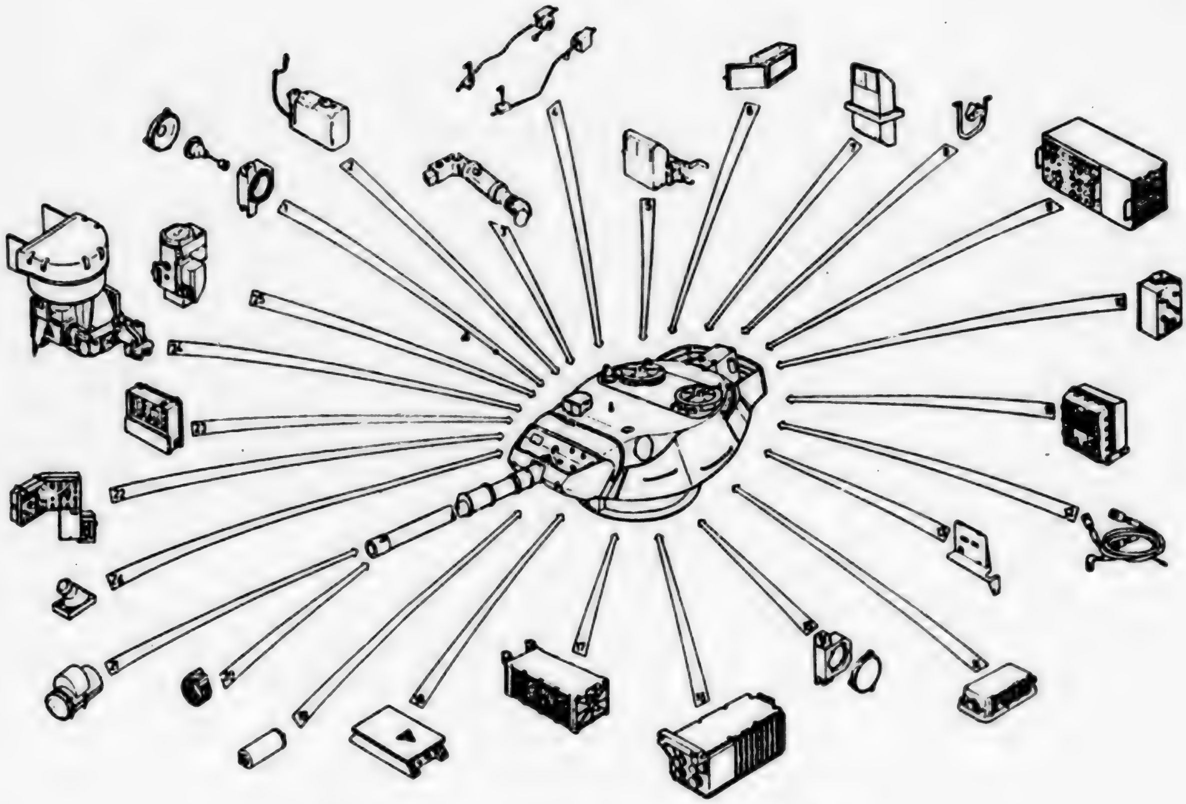
more tanks are to be delivered later that same month, and two more in January 1987. Then a pause will ensue, and from May on series production will increase. The reason for this pause is a reexamination of the results of the series maturing process, which may then lead to further changes. The final vehicles will be delivered in September 1992.

Subcontractors are the firms Krupp Atlas Elektronik together with AEG and Eltro for the EMES 18 and the laser rangefinder, Zeiss for the thermal imager, FWM for the improvement of stabilization (i.e., five modules are being consolidated into a monoblock electronic unit), and Hensoldt for the turret sighting telescope. The tank testing system RPP 1-11 is also being fitted.

Worth special mention--as one hears from the BWB [Federal Office for Military Technology and Procurement] and Department III of the General Army Office--the outstanding cooperation between the equipment officer, are the project officer for logistics and the project officer-in-charge [OIC], as well as the industry, which showed great flexibility and a willingness to make decisions. As we were told by the project OIC in the BWB, the cooperation between the specialized departments of the office was likewise exceedingly pleasant and smooth. During the production increase, the spare parts for depot repair must be available in much greater quantities than would normally be the case, which, especially in the Materiel Command, leads to a considerable increase in workload. This commitment of all participating firms and offices is likewise evidenced by the timetable. Following the comparative testing of the various bidders for the development contract in Trier, Meppen, Greding, Aachen (logistics), and Munster (tactical portion), the decision was made in September 1983. The approval by the minister was given in December 1983. The approval for introduction to service was given on 28 August 1985, the series contract signed in December 1985, so that DM118 million became available before the end of that year as a prepayment for fiscal year 1986. The following expenditures announced by the budget committee: 1987--DM90 million, 1988--DM270 million, 1989--DM130 million, 1990 and thereafter--DM281 million, all based on the price levels of December 1985.

The 3-year time period required between the selection decision (end of concept phase) and delivery of the first series-produced vehicles (beginning of procurement phase) can only be termed as extraordinary by insiders, considering the scope of the combat effectiveness upgrading program.

In the event of an upgrading to a 120mm gun that may possible be undertaken in the future--as also suggested by the defense committee--the Leopard 1A5 could fulfill the mission of the gun-equipped antitank combat vehicle of the combat vehicle 90 type. A decision on this is to be made toward the end of the year. This is also the reason why this variant of the combat vehicle 90 is only with reservations to enter the 1-year concept phase to begin in June/July. And thus the Leopard 1A5 will not become a patchwork veteran with mottled camouflage paint, but practically a new weapons system.



Battle Bank Leopa:d 1A5--New Modules

1. Trunnion bearing with revolver
2. Pulse washing system
3. Commander's eyepiece EMES
4. Flap actuator, complete
5. Periscope accessory device
6. Protective cap
7. Periscope
8. Handle with laser pushbutton
9. APL
10. Thermal imager auxiliary control unit
11. Monoblock electronics unit
12. Cable harness
13. Mountings
14. Loader's control unit
15. Trunnion bearing, left
16. Thermal imager electronics
17. Computer
18. Laser electronics
19. Vertical sensor
20. Field boresighting collimator
21. Muzzle conserver
22. Gunner's control unit
23. Computer control unit
24. Gunner's main sighting unit
25. Thermal imager sensor
26. Bollard [bitt]

Modifications for 586 Howitzers

Bonn WEHRTECHNIK in German Jul 86 pp 69-70

[Article by W. Flume: "Army Received First Combat Effectiveness-Upgraded M-109 A3GE"]

[Text] The date 29 April 1986 was an important day for the artillery: In the army repair plant 860 in St. Wendel on the Saar, the first three combat effectiveness-upgraded 155mm SP howitzers M-109 A3GE were turned over to field

units, specifically to the 345th Armored Field Artillery Instruction Battalion in Kusel. By 1990, all 586 SP howitzers, currently the standard artillery weapon of armored and armored infantry brigades, are to be converted in order that they can remain operational at least until circa 2005--the spare parts supply guaranteed at least until that time.

The combat effectiveness upgrading measures for the SP howitzer, which since 1964 has been assigned to the German army in the "Germanized" version M-109G, has already been reported on in detail by WEHRTECHNIK (7/85). The new designation is now M-109 A3GE A1. Worth pointing out with respect to this weapon is the increase in range from 18.6 to 24.7 km (and to 30 km using the increased-range base bleed projectile), an increase of the combat load to 34 rounds, and fitting with higher-performance data input/output equipment for receiving the data required for rapid target engagement, thus substantially reducing the reaction time.

In his speech, the director of the weapons and munitions technology department in the Federal Office for Military Technology and Procurement, First Director Physicist Dieter Menzel, once again addressed the "history" of the combat effectiveness upgrading:

--Early 1978: Extension of the utilization phase from 1985 to 1995, later 2005.

--1981: Decision of the chief of staff on retrofitting of the M-109G. Here there was a choice of three alternatives, with the nod given to the so-called "German" solution: retrofitting of only the U.S. parts which cannot be otherwise logistically supported (the U.S. Army is only still supporting the M-109 A3), but retention of all proven German modules (e.g., the breech ring), and installation of a Rheinmetall tube having the interior ballistics of the field howitzer 70.

--January 1983: "Construction" of the first company prototype by Rheinmetall (self-financed).

--13 May 1984: Deployment authorization.

For the combat effectiveness upgrading, the BWB is performing a general contractor function, so to speak, by accepting responsibility for furnishing most of the new parts. Twenty different procurement contracts were signed for this purpose, valued at between DM100,000 and DM42 million (the latter for the purchase of American parts from the U.S. firm FMS Corporation). The German contractors include Rheinmetall, Wegmann, and Glueckauf. The reequipment itself is being carried out at army repair plant 860 in St. Wendel within the framework of a routine major repair. The army repair plant 860 now has over 1000 employees and has been repairing military materiel for 25 years, mostly artillery equipment, such as circa 1000 SP howitzers to date. Since the work is being done at the army repair plant and together with major repair, it was possible to limit the cost of combat effectiveness upgrading to circa DM300,000 per vehicle. Another contributing factor was the purchase of the American parts by the German liaison office in Washington on a competitive bid

basis on the American market. "Reequipped" at the army repair plant as prototypes/preproduction models were four vehicles, plus an M-109 supplied by Norway which following reequipment is to conform to the maximum extent to the M-109 A3GE. Reequipment work on additional SP howitzers is then to be done in Norway by Kongsberg. Also showing an interest in this German solution are Italy and Great Britain.

The cooperation has been good so far between the army repair plant and the participating industry. Colonel Egon Hoerner, Eng, director of army repair plant 860, on this subject: "At this point I would also like to thank the representatives of industry for their cooperation and support. They have learned, meanwhile, that army repair plant 860 is not, and cannot be, a competitor, but that here, together with them, we maintain and preserve the weapons systems manufactured by the firms and thus assure the combat effectiveness and operational readiness of field units." A total of 120 reequipped SP howitzers are to be delivered this year by St. Wendel; in the years ahead, 138 are to be reequipped each year. The cost of the reequipment, including spare parts and procurement of instruments from Lear Siegler for measuring the muzzle velocity, amounts to a total of circa DM208 million.

The combat effectiveness upgrading of the M-109 that has now begun should also be seen in conjunction with the introduction of the new SP howitzer 155-1 (from the SP howitzer 70), which has encountered repeated delays and is now not planned until 1993. With respect to range, the M-109G is now its equal, and with the new barrel of 39 caliber lengths (almost 2.5 m longer than the 23 caliber-length barrel of the M-109G used to date) it can also fire the higher performance munitions of the field howitzer 70, and, as stressed by Brig Gen Raimund Rothenberger, Eng, general of army armament, the improved bomblet munitions, search fuze munitions, and terminally-guided missiles as well. Thus viewed, an important step toward greater standardization of the artillery and substantially increased firepower.

Technical Data of the New SP Howitzer

	M-109G	M-109 A3GE
Caliber	155mm	155mm
Number of grooves	48	48
Spin, right-hand twist, constant	8°55'37"	8°55'37"
Tube length	4422 mm	6874 mm
Length of rifled part	2900 mm	5057.7 mm
Loading chamber volume	13,489 1	18,845 1
Weights: Tube complete	1916 kg	2380 kg
A-tube	940 kg	1420 kg
Maximum range (standard shell)	18.6 km	24.7 km (range-augmented up to 30 km)
Elevation range	-44⁻ to +1245⁻	-44⁻ to +1245⁻

	M-109G	M-109 A3GE
Traverse range	n x 360°	n x 360°
Effectiveness of muzzle brake	≈40% (8th charge DM 52)	≈44% (8th charge L10A1)
Maximum braking force	≈460 kN	≈500 kN
Maximum brake pressure	≈213 bar	≈215 bar
Maximum blast pressure in area of aiming device	110 mbar (8th charge DM 52)	90 mbar (8th charge L10A1)
Maximum recoil length to 729‾	815 mm	815 mm
Maximum recoil length to 730‾ to 910‾	from 815 to 465 mm	from 815 to 465 mm
Maximum recoil length over 910‾	465 mm	465 mm
Maximum gas pressure at 8th charge DM 52	3200 bar	2300 bar
Maximum gas pressure at 8th charge SP howitzer 155-1	-	3628 bar
Muzzle velocity at 8th charge DM 52	685 m/s	685 m/s
Muzzle velocity at 8th charge SP howitzer 155-1	-	827 m/s

12689/6091
CSO: 3620/28

MILITARY FEDERAL REPUBLIC OF GERMANY

M-113'S ADAPTED FOR FIRE CONTROL, COMMAND RESOURCE VEHICLES

Bonn WEHRTECHNIK in German Jun 86, p 69

[Article by E. Heckmann: "Adaptation of Command Resource Vehicle and Fire Control Armored Artillery"]

[Text] With Thyssen Henschel's adaptation of modified M-113's the army began introducing a new command resource vehicle, and upon delivery of the armored reconnaissance vehicle, together with the adaptation of the first fire control armored vehicle, the realization of a further step toward producing an integrated fire control artillery battery.

Now, hardly a few days pass without the army acquiring a new piece of equipment. Thus on 11 April, Eng Klaus Bax von Thyssen Henschel, chairman of the board of managing directors, was able to deliver the first vehicles from the series of command resource vehicles and the first fire control vehicles of the barrel artillery to the army in the presence of army inspector Lt Gen Hans-Henning von Sandrart. He also mentioned thattfurther decreases in the already reduced capacity of this firm must be prevented.

The basic vehicle for command resource use is the American transport armed vehicle M-577 with the transmission and running gear of the motorized M-113, which was acquired in 1973 by the army.

Development of the command resource vehicle began in mid-1975 when the tactical requirement was established, with actual development beginning in 1977 under contract with the firm Thyssen Henschel. Authority to introduce the vehicles was granted in August 1981, following indepth testing of aiming points 41 and 81.

The current mission objective is the adaptation of all command resource vehicles with the production and delivery of installation kits:

--Command unit with data transmission facilities, field facsimile, cryptomaterial, VHF-radio transmitter, telephone, map shelving and office material space;

--Teletype unit with teletypewriter, data transmission/field facsimile, VHF-radio transmitter, telephone and map and office area as above;

--Information unit with photocopier, data processing/field facsimile functions, encoder, VHF transmission, telephone, and map/office area.

An installation kit for an intelligence unit is presently under development and should be introduced into the first vehicles in 1988. The army estimates that logistic readiness should occur in parallel with the introduction of the vehicles to the troops. A total of 220 armored command vehicles are being modified for use at the corps, division and brigade levels (including home defense brigade). Lieutenant General von Sandrart further indicated that during the course of development a number of production steps have been significantly shortened. For example, the original television map viewer was not initially produced, but it has been more recently considered in terms of the introduction of the HEROS command information system.

The integrated fire control artillery battery unit consists of the shared functions of reconnaissance tank, AURORA autonomous direction and orientation facility (formerly aiming circle tank), and the fire control tank.

The development of the fire control tank began in 1975 by Thyssen Henschel with major contributions by the ESG. Authority to introduce the unit was issued in 1982. It entails producing of 115 fire control tanks and equipping 586 M-109's with these capabilities. Changes in the army structure will cause the unit quantity to increase by 39. The fire control artillery tank is the mobile electronic data processing fire control center of the artillery. It forms a bridge between artillery reconnaissance and the fire control unit, whereby automated data processing, transmission and readout as well as automated firing calculations will improve fire control in barrel artillery batteries. Equipping fire control tanks with FALKE digital calculating units, two DEA 64 data input and output units, the DEA 24 data input and output device, an FS 2000 teletypewriter, a matrix printer, and radio and television transmission capability, enable the fire control group to initiate firing calculations and fire command transmissions with little delay. Reaction time of targeting in combat can thus be reduced from 360-420 seconds to 90-120 seconds.

13225/9835
CSO: 3620/29

MILITARY FEDERAL REPUBLIC OF GERMANY

EMPLOYERS RESPOND TO INCREASED DEMANDS UPON RESERVISTS

Bonn LOYAL in German Aug 86 pp 8, 9

[Article by Ruediger Moniac: "Firms Fear the Burden--Federation of FRG Army Reservists Questions 500 Personnel Managers as to Their Opinion Regarding Forthcoming Personnel Problems with Reservists--Survey of Personnel Managers"]

[Text] The public has lately begun to understand the magnitude of the problems which the FRG army, the economy, and society have to solve during the next few years as a result of the decrease in the number of young men eligible for compulsory military service. The Federation of Reservists was one of the first to point to these coming difficulties.

Because the fewer young men there are for basic military service, who represent a shield against surprise attack for those on active duty, the more unavoidable it will be to use reservists to fill these gaps. They will have to participate in military exercises three times as often.

The Federation of Reservists was also one of the first to direct attention to the burdens which commerce and other work sectors in society will additionally have to take on as a result of the military service by reservists. And now it is again the one who takes the next step of asking how the economy will react to these additional burdens.

The Federation has therefore started a survey, so that reliably analyzable statistical material will be available. The personnel managers of 500 large and medium-size FRG firms were asked about the connections between their entrepreneurial tasks and the growing demands upon their employees from military exercises.

The results of this survey astounded even experts in the field of opinion surveys. No one could have counted upon such a response. Of the personnel managers surveyed, 203 of 500 responded--more than one-third. This shows, basically, that the leading men and women in trade and industry know very well that the army provides an important precondition for free enterprise in our country and constitutes a guarantee that foreign power interests will not overrun our country. Through this survey, the tendency show in the first finding has been relatively assured:

Trade and industry want the army to be able to carry out its defense mission.

This general statement still leaves open the question as to which position the individual firms will take when, in the future, they have to release their employees for military exercises more frequently than they do today.

Before more is said about this, here are the questions and answers in detail:

1. Because of the small amount of manpower available for conscription, the army will in the future have to call in three times as many reservists as formerly. Did you already know this?

yes: (95/203) (46.80 percent)
no: (102/203) (50.25 percent)
n/a: (6/203) (2.95 percent)

2. Can you tell us how many of your employees are army reservists?

yes: (42/203) (20.20 percent)
no: (162/203) (79.80 percent)

3. Are your firm's management personnel affected?

yes: (144/203) (70.94 percent)
no: (43/203) (21.18 percent)
n/a: (16/203) (7.88 percent)

4. Would the tripled callup of your employees for military exercises create difficulties for your firm?

yes: (151/203) (74.38 percent)
no: (37/203) (18.23 percent)
n/a: (15/203) (7.39 percent)

5. Will you apply for as many exemptions from military exercises as possible?

yes: (118/203) (58.13 percent)
no: (66/203) (32.51 percent)
n/a: (10/203) (4.93 percent)

6. Have you, up to now, already been in contact with selective service officials?

yes: (155/203) (76.35 percent)
no: (41/203) (20.20 percent)
n/a: (7/203) (3.45 percent)

7. Are you of the opinion that employer organizations and trade groups should give special attention to these future problems?

yes: (178/203) (87.68 percent)
no: (15/203) (7.39 percent)
n/a: (10/203) (4.93 percent)

8. Do you have a positive attitude toward the army?

yes: (189/203) (93.10 percent)
no: (1/203) (0.49 percent)
n/a: (13/203) (6.40 percent)

9. Are you yourself a reservist?

yes: (46/203) (22.66 percent)
no: (142/203) (69.95 percent)
n/a: (15/203) (7.39 percent)

10. Would you be interested in an information conference on this subject?

yes: (106/203) (52.22 percent)
no: (84/203) (41.38 percent)
n/a: (13/203) (6.40 percent)

From the answer to Question 1, about knowledge of additional future burdens through more military exercises (more than one half "no"), it becomes very obvious that the information gathering effort of the army and all organizations occupied with this matter, including the Federation of Reservists, must be intensified. It thus holds true that:

Whoever wants trade and industry to help out must first provide them with more knowledge of the problems.

Questions 2 and 3 (How many employees are reservists? How many members of management are reservists?) could partly not be answered. Protection of information was given as the reason; hence, such data could not be kept by the firms. (In this connection, the following observation forces itself on us: Things cannot have come so far that the protection of information, which is good for the setting of goals and which helps guarantee the rights of the individual, impedes business in favor of the common welfare. Because in the future, when the army and commerce must find a common way to prevent the callup for military exercises from overburdening these enterprises, their personnel managers need to know which of their employees are reservists.)

The answers to Question 4 (Would your firm get into difficulties?) Strike very directly at the core of the dilemma. More than three-fourths of the responding personnel managers say that their firms would get into difficulties as a result of the tripled callup rate. Because the answers were at least partially differentiated, it must be added that difficulties are feared for certain areas of these firms. This is quite clear when it is a matter of a large firm. However, the burden upon individual sectors of enterprises is ultimately also naturally inhibiting to their overall development, with the result that this statement by personnel managers must be taken seriously. Another very important viewpoint is added: Larger firms can better redistribute to coworkers that work left unfinished by absent employees than can small firms. As the result of more frequent military exercises, smaller firms must solve unequally more problems than the larger firms. State briefly once more:

With more frequent military exercises, firms get into difficulties.

Moreover, some personnel managers complained in answering Question 4 that the army arbitrarily sets the dates for military exercises and that it also sets them mostly during the main vacation periods from June to August. It was recommended that the army should inform the firms well in advance as to the dates for military exercises.

In logical fashion, as becomes apparent from the answers to Question 5, the majority of the firms try to have their management personnel and specialists exempted from military exercises. The fact that more than half of the respondents desire this must be considered by the army to be an alarm signal. Because in order to carry out its military assignments, the army especially needs reserve officers and NCO's for command duties and for special skills in certain areas. The interests of commerce and the army thereby collide head-on. Compromises must be found. To conclude, in brief:

Both commerce and the army can hardly do without management personnel and specialists. Competition is programmed in.

This collision of interests is seen very clearly in trade and industry. That becomes clear from the answers to Question 7 (whether the employer organizations and trade groups should occupy themselves with these problems). The overwhelming number of responses advocates this. All members of trade and industry in positions of authority, in both employer and employee organizations, should interpret this finding as an invitation to participate constructively in the solution of the problems which arise as a result of increased callups for military exercises. Therefore:

Employers, employees, and the army need to sit at a single table in order to solve the problems related to the increased burden upon reservists.

In the answers to Question 8 (Positive toward the army?), the only thing which stands out is that it was unexpectedly answered "yes" almost without exception. It is to be assumed that the "no" votes are probably hidden behind those who did not respond to the survey. To point this out one more time: That was about 300 out of 500.

In the case of Question 9 (Reservist yourself?), it is worth noting that the overwhelming majority of those in firms who are respeonsible for the personnel management functions, as members of the "white" age group, (men born between 1929 to 1937) never had close contact with the army. Therefore, they cannot judge from their own experience and, through using their reasoning powers, can only abstractly judge which concrete tasks and possible difficulties their firm's employees are facing because of military exercises with their units. It is even more difficult for the reservists to arouse sympathy among a firm's management personnel for their second duty as "citizen in uniform." The following conclusion results from this:

Those in positions of responsibility in trade and industry today often belong to the older age groups. One must acquaint them with the missions of the army.

With Question 10 (Interested in an information conference?), the circle of answers is closed. More than half of the respondents display interest in pertinent information about this subject. It is clear that the Federation of Reservists must try, as far as its resources reach, by itself or with the help of others, to close the information gaps both in trade and industry and elsewhere.

The survey by the federation of Reservists was generally welcomed by trade and industry. It was frequently called a "first step" toward providing an overview. The next steps, according to mail received bv the Federation, must be purposeful inquiries designed to make individual problems more accurately analyzable in the future.

At the conclusion of this survey, it must therefore mean for the Federation of Reservists:

The tasks are growing in number, so the means for their accomplishment must grow as well.

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MILITARY NETHERLANDS

LOW ALTITUDE FLIGHT TRAINING IN LABRADOR

The Hague LEGERKOERIER in Dutch Oct 86 pp 14-18

[Article by Mat Herben: "Low Above Labrador--F-16 Pilots Trained in Canada"]

[Text] "It's an incredible experience. It brings back to you what you were trained for. There's nowhere in Western Europe where you can fly so low that you can literally follow a river or a valley. Here they have hundreds of kilometers of low-altitude flight area where you won't see a living soul." F-16 test pilot Captain Harry van Duren cannot hide his enthusiasm. During the last weeks of July a Netherlands-Belgian detachment carried out test flights over low-altitude flight areas in Labrador at the invitation of the Canadian Government. An unimaginable luxury for pilots plagued by countless prescriptions and prohibitions in densely-populated Western Europe. But the enthusiasm is understandable from an operational point of view as well, because there is a iron rule in wartime: the lower you can fly, the greater your chances of survival.

"We have to prepare for high-speed flight at a very low altitudes in wartime. That sharply reduces the chances of being detected, either visually or by radar. This tactic, along with modern electronic countermeasures, has been proven in practice to be effective. In densely-populated Western Europe we don't have the training areas for that. There's nowhere where we can operate at 100 feet (30m). To a limited extent you can fly at 250 feet (75m) in West Germany, and things get better for operations at 500 feet (150m). In the Netherlands we don't have any real low-altitude flight areas, apart from two fixed routes to the areas in West Germany. The minimum flight altitude in our country is 1,000 feet (300m). After looking at all the alternatives in Europe, we came to the conclusion that the only place to get realistic training today was Canada," says Lieutenant Colonel B. A. C. Droste, since 1 July deputy commander of Volkel Airbase in Brabant. Before that he was closely involved with the training problems of the Royal Air Force as Chief of Operations and Training, Air Force Staff. At Canada's Goose Bay Airbase he commanded the Netherlands detachment. "Another urgent reason to come to Canada was the understandable German demand to limit flight activities over the Federal Republic. That was one reason why Belgium lowered the flight altitude to 500 feet and laid out a 250 feet area in the Ardennes. Even the

West Germans have been training for in Canada 5 years. Technically speaking, Labrador is attractive because in the summer months weather and terrain conditions are very similar to those in Western Europe," Droste says.

Brown Bear and Black Fly

"The Netherlands and Belgium each provided five F-16's. The aircraft were already in North America for exercise Red Flag. The detachment was made up of 75 Netherlanders and Belgians, including 18 pilots, who were ready when the aircraft arrived from Nevada Monday evening, 14 July. We worked the whole night so they could fly again the very next morning. Thanks to the tremendous effort by the technical personnel we're able to get in an intensive flight program--including Saturdays," Droste explains. Goose Bay lies on a bay, 80km from the coast. The airfield is almost always open, becuse the visibility is outstanding even in cloudy conditions. There is almost never any fog, and snowplows keep the runways clear in the harsh winter. The winter ends sometime in April and begins again at the end of October. The period in between is suitable for flight training.

Winter flying is too expensive (heating, snow and ice removal) and also too dangerous, because a plot who unexpectedly has to use his ejection seat will land in 2 meters of snow, with temperatures down to minus 40 degrees Celsius. Even in summer months special survival training is necessary. The area right around Goose Bay is heavily forested, but to the north there are lakes, marshes, and finally tundra. The brown bear is the king of the area, but the black fly even more. A special mosquito oil is standard equipment. In general the summer months are cool and rainy. In July the average temperature is 16 degrees, with varying cloudiness. We also had some fine days with temperatures of 22 degrees.

36,000 Inhabitants

Labrador has an area of 303,000 square kilometers, more than seven times that of the Netherlands. It has 36,000 inhabitants scattered over five towns and some settlements along the coast. Large portions of the interior are totally uninhabited. Two training areas have been set up in the uninhabited area: one 300 x 200km and one 200 x 150km. The former begins 40km northwest of Goose Bay and the second 100km southwest. The F-16's generally used the northern area, through which run countless rivers and streams. From the air the north-south streambeds are very striking; presumably they were left by the retreating ice ages. The area is inaccessible in the sense that it would take many months to cross it by boat and portage.

When Indians want to hunt here, they are flown in on a light seaplane. The position is marked on the pilot's chart with a 75km2 circle where low-altitude flight is not permitted. Because of all the water, there are usually few caribou, and there are equally few birds, which is fortunate from the standpoint of flight safety. The coastal areas on the other hand are very rich in game and birds because of the regular migration routes. "Some caribou have a radio transmitter around their neck so we can follow the migration from aircraft and satellites. If a herd wanders into a low-altitude flight area, a temporary flight prohibition is imposed," says Lieutenant Colonel John David,

Goose Bay commander. Of course the coastal areas, where there are also Eskimos, are taboo for training aircraft.

NATO Base

Goose Bay was established in World War II as a stopover point for more than 24,000 American aircraft flying to Europe. During the Cold War it was an important Strategic Air Command base, where noisy KC-135 Stratotankers and B-52 bombers were stationed, among others. At that time 12,000 military personnel and families populated Goose Bay; now the entire "conurbation" numbers only 7,000 people, who still depend very much on the airfield for their livelihood. Since 1976 the former SAC bunker--called the Molehill because of all the corridors--has been used by the Military Airlift Command. Each year 2,300 USAF transport aircraft stop over on the way to Europe. The British have also been training in Labrador for more than 20 years. Up until 1984 they used the very noisy Vulcan bomber, and since then they have had a detachment of eight Tornados. The West Germans have been flying here since 1981 with Phantoms, Alpha Jets, and Tornados. According to a memorandum of understanding which may also apply to the Netherlands in the future, each of these countries can bring a maximum of 24 aircraft to Goose Bay. According to Lieutenant Colonel David, as a NATO base Goose Bay could serve over 120 combat aircraft, but even then it would not be as busy as it was in the 1960's. It remains to be seen whether other NATO countries will make use of Goose Bay. Lack of space is a problem only for the Western European countries, and Belgian participation is by no means certain for financial reasons. Italy, France, Norway, and the Southern European allies are not interested. On the contrary, Turkey, for instance, would very much like to host a NATO base itself in the 1990's, but whether that will go through is still very much an open question.

Most inhabitants of Labrador are strongly in favor of expanding flight activity, because that will stimulate employment. Opposing expansion are the roughly 900 Innu Indians who live in the wider area around Goose Bay, mainly in the village of Sheshatshiu 40km to the northeast. They live from the hunt, and thanks to federal subsidies they do not depend on work at the airfield. In the mid 1970's the Indians' historic rights to their own land were recognized. In anticipation of the allocation of that land, $15 million has already been given to the Innu tribal council. Since then, there has been some alienation between the local population groups. The 10,000 Metis--descendents of European men who married local woman in the 18th century--do not receive such federal subsidies. The 1,500 Eskimos do but are better assimilated than the Innus. The Innu Indians are supported by environmental groups like Greenpeace and by the Catholic Pax Christi peace movement.

One must give the Catholic Church in Canada its due for taking pity on the fate of the Indians, who are still being swept back and forth between their old ways and modern Western society with its cars and TV's. However, the rest of the inhabitants are Methodists, Baptists, or--like the Eskimos--members of Moravian churches and believe that the Indians should take care of themselves without protection from outside. The matter is very complex, and it is not for us to pass judgement on an internal Canadian affair. Lieutenant Colonel David points out that the Government is doing everything it can to protect the

environment. The number of caribou has increased from 60,000 to more than half a million in the past 20 years. Labrador offers enough room for the Indians who still want to, to hunt undisturbed. David deplores the "manipulation of public opinion" but is fully confident about the future of Goose Bay, given the support from the federal, provincial, and municipal governments.

Flight Safety Is the Number 1 Consideration

The Royal Air Force hopes to operate out of Goose Bay next year with 12-14 F-16's, but a great deal of work still needs to be done before that can happen. Next spring the hanger and the various buildings have to be renovated. The Netherlands has to share the costs of using the airfield, which is still civilian but will be taken over next year by the Canadian Air Force. Canada itself will station four CF-18 air defense fighters there. The training in Canada is projected to cost 200 million guilders over the next 10 years. Each F-16 pilot will train in Canada for 2 weeks each year, if the plans are approved by the Second Chamber of Parliament.

The pilot has to carry out 15-18 missions according to a strictly prescribed plan. "Step by step, under very strict supervision, we bring the flight altitude down from 250 to 100 feet. We try to determine the pilot's comfort level, the altitude where he still feels comfortable. Flying 900km an hour at 30m altitude doesn't allow much room for error. For that reason each pilot first has to have approval from his squadron commander or operations officer. Flight safety is still the number 1 consideration," Droste says. "If a pilot doesn't feel comfortable, we certainly won't force him to fly lower. We prefer just to wait a year longer until the man has some more experience. Flying is something you learn to do by doing a lot of it," adds Lieutenant Colonel C. J. van den Burg.

As Chief, Flight Service at Volkel Airbase he stresses the need for the training in Canada: "We have to use the number of flight hours allotted to us as effectively as possible. In Europe that's not always possible because of the many restrictions." The British and the West Germans are already looking forward to the arrival of the Netherlands F-16's, which will make it possible to set up realistic training with an aggressor and a defender. The F-16 is a popular opponent in such training as it is a match for the Tornado.

Working Miracles

The pilots' enthusiasm infected the detachment of 57 Netherlands and Belgian service people and specialists. "We work in shifts from 7 o'clock in the morning until 10 o'clock at night. Everybody is really motivated. The best part of it for me is that we're really working as one team here. People from Leeuwarden, Volkel, and the Belgian base at Kleine Brogel who'd never met before work together without any problems. I've never seen anything like it. When your work gives you so much pleasure, you just forget there are better paid jobs," says technical officer Captain Siem Keijzer. Will it be a problem to keep the aircraft flying over a longer period? "Right now we're having some moisture problems with the electronics, but they'll go away next year when we can put the aircraft in a hanger at night. And also, we can work

miracles if they will send us just one plane with spare parts during these 14 days," he says.

The lack of longe-range transport aircraft is a problem that has bothered the Royal Air Force for some time. The 25-year old F-27 Friendships from the 334th Squadron at Soesterberg are not suitable for regular flights across the ocean. "A few large aircraft that can serve both as tankers for the F-16's and as passenger aircraft would really be ideal," suggests Droste.

Long Delivery Times

"For the time being we plan to solve the transport problem with charter aircraft. We've figured out that it will cost us about 3 million guilders to rotate the personnel once very 2 weeks," says Major Jaap Laan of the Royal Air Force's Materiel Directorate. It is a pity that the Belgians have not decided (yet) to go to Goose Bay too, because the Belgian Air Force's 12 Hercules aircraft are perfect for this mission. The fact that Belgium did participate in this evaluation gives grounds for hope for the more distant future. The necessary additional spare parts are still a problem, since the Royal Air Force did not expect to have to set up a base overseas when it purchased the F-16's. More money will not solve all these problems, because some parts have a delivery time of over 2 years. So there is a good and a bad side to everything. In any case, the flight training in Canada is very valuable operationally and will do much to reduce noise pollution in Western Europe. And for the Royal Air Force those are good enough reasons to make "Goose Bay" a priority project.

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MILITARY NETHERLANDS

SPECIAL PERFORMANCE PAY INTRODUCED

Amsterdam DE TELEGRAAF in Dutch 2 Oct 86 p 6

[Article by Arnold Burlage: "Performance Awards for Military up to 2,000 Guilders"]

[Text] The Hague, Thursday--As of now members of the Army, Air Force, and Navy can earn large awards ranging from 150 to 2,000 guilders for extra effort.

The new regulation takes effect this week. This was confirmed yesterday by a spokesman at the Ministry of Defense.

The performance awards can be granted by small-unit commanders or on up to the Defense Minister--depending on the amount--for "behavior or accomplishments that are connected with military service or further the standing of the Armed Forces."

Bonus

The bonuses are given not only to individuals but also to groups for accomplishments in ordinary service, training, sport, and other areas. The awards are not bound by strict rules; comanders are given broad latitude and need not be "stingy" with the new awards.

Small-unit commanders--company commanders in the Army--can grant amounts of 150 guilders without restriction as to number.

Other forms of rewards used in the Armed Forces up to now, such as the cord of honor, uniform buttons, and performance leave of 1-2 days, remain in use, as does the suggestion box.

The granting of considerable cash awards is supposed to motivate the military better to make an extra effort and is much more direct. The small-unit commander in the field, in particular, can give an award much more easily than in the past, because up to now nominations had to be submitted to a higher level for most other forms of awards.

Money

The decision to establish a system of performance awards was made because money is more attractive than the present, mostly visible, awards. The cord of honor, for instance, is frequently called the "snot cord" and often wins the honoree a certain dislike from his fellows.

The military interest organizations have agreed to the new system of performance awards through the Central Organized Deliberation, Military Personnel (CGOM). They would have liked to see somewhat larger awards--particularly at the small-unit commander level.

"But that's a step forward in the appreciation shown to military personnel. We're especially happy with the spirit of the regulation, the quickness, and the direct effect," says Johan van der Weiden, chairman of the 10 military interest associations joined together in the Cooperating Organization of Military Personnel (SOM), which after a trial period of 1 year have just decided to continue their joint activity.

According to a Ministry of Defense spokesmen these performance awards for military personnel regardless of rank will be financed from the general resources of the defense budget.

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ENERGY TURKEY

PRIVATE ELECTRICITY PRODUCTION STYMIED BY PRICE DEADLOCK

Istanbul DUNYA in Turkish 20 Aug 86 p 9

[Text] Ankara--Private and foreign capital investment moves to build hydroelectric and thermoelectric power stations following the enactment of the law allowing the generation and sale of electricity by the private sector are marking time due to a failure to fix sale prices.

The first example of this is provided by Soytek, Ltd., set up in joint partnership by the Turkish Electricity Board [TEB] and the Soyut Holding and Soykan Companies Group. Having tackled the "guarantee" issue to a certain extent, the company has secured credits for the thermoelectric station it wants to build in the Golbasi locality in Adiyaman, but the project is marking time due to a failure to fix sale prices for the electricity to be produced. It is understood that as a result of the same problem, there is no progress in the initiative to build three thermoelectric stations based on imported coal.

Following the enactment of the law permitting the generation and sale of electricity in Turkey by the private sector, Soytek became the first firm to obtain a permit in this field from the Supreme Coordination Council for Economic Affairs. The firm, which plans to build a 210 mW capacity thermoelectric station at Golbasi in Adiyaman, has secured the necessary $220 million financing from the European money markets through its partners in the project, that is, the Swiss firms BBC and EVT and the Soviet "Energomachexport" organization. While initially a "state guarantee" was sought for the repayment of the credits, as in the case of the nuclear power station, this problem was solved through an agreement between these firms and Soytek. This left the question of the fixing of the sale price of electricity and the securing of domestic financing necessary as the obstacles to the implementation of the project. It is understood that the failure to obtain agreement on the sale price has caused a delay in the project.

In the meantime, during the visit of Minister of Energy and Natural Resources Sudi Turel to Poland in April, a protocol was signed within the framework of the Economic and Technical Cooperation Agreement to have the Polish state firm take charge of the complete construction project for the Golbasi Thermoelectric Station. As the Polish Government guaranteed to find the external financing needed for the project, studies were undertaken to find funds for the domestic

financing needed. The proposal that the project be included in the TEB investment program for 1987 arose from the need to satisfy the domestic funds portion of the financing.

It is understood that in the event the construction of the Golbasi Thermoelectric Station is implemented once again under the leadership of the public sector, it will be necessary to have a new agreement concerning the supply of coal to be used at the station. The right to administer the coal used at the station belongs to the Soykan Companies Group, which did not go along with the decision to increase the capital of Soytekl, Ltd., last year and withdrew from the company. A protocol similar to that signed with the Polish Government had earlier been signed with Romania during Prime Minister Ozal's visit there.

There is some argument over whether or not the law permitting the private sector to generate electricity will work in the event the construction of the Adiyaman Thermoelectric Station is embarked upon under the procedure followed by the Ministry of Energy and Natural Resources. In this situation, a failure to guarantee financing and to fix electricity sale prices will unfavorably influence the fate of a number of projects currently awaiting permission.

On the other hand, talks continue concerning three 1,000-1,100 mW thermoelectric stations based on imported coal, to be built at Yumurtalik, Tekirdag, and Ambarli. No agreement on the sale of the power to be generated has yet been signed with the Swiss BBC, the Australian Seapac, or the U.S. Bechtel firms which have proposed to build these power stations.

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CSO: 3554/03

ENERGY TURKEY

BRIEFS

AUXILIARY PLANT AT KEBAN DAM--Following the steady fall in the level of water at the Keban Dam and the reemergence of the question of power cuts, the Ministry of Energy and Natural Resources has prepared a 'Baby Keban' project. According to this project, which will be initiated in the months ahead, a small hydroelectric station will be built to make use of the water seeping from the dam. Efforts will be made to use this small installation to make up for the shortfall at the main dam. [Istanbul MILLIYET in Turkish 20 Aug 86 pp 2, 14] 13184/9835

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